THE FINANCIAL POST

The Canadian Newspaper for Investors

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SCOTIA COMPANY IS PLANNING TO CURTAIL OUTPUT

To Close at Sydney and Reduce at New Glasgow

PRICES UNATTRACTIVE

Company Will Take Advantage of Lull in Business to Carry Out Repairs and Renewals

Special to The Financial Post

NEW GLASGOW.—Asked as to the truth of the rumors that the Scotia Company contemplated the closing down of its steel making department of Sydney Mines, and the curtailment of its operations at New Glasgow, Mr. McDougall stated that as was well known the several plants of the company had, during the past four years, been operated at high pressure. The present moment, when the cancellation of munitions contracts has left the tonnage on the company's order books at a lower point than at any time during the past four years, is considered an excellent opportunity for carrying out necessary repairs and renewals, which could not be done during the strenuous years when all efforts were bent on increased production without consideration of cost.

New business, said Mr. McDougall, is offered to a very limited extent and at prices which are not at present attractive to the Scotia Company, consequently, now is the time to make the necessary preparations for the future. With this in view certain extensions of plant, which have been completed for some time, will also be planned and undertaken where possible during the shut-down.

The Coal Situation

What to do with its coal operations at Sydney Mines is the most difficult and complex question in connection with the Scotia Company. The cost of production at the collieries has for some time past been extremely high, making it impossible for the Scotia Company to compete in the general coal markets, and seriously affecting the fuel costs in iron and steel production.

We hope, however, to effect such an improved general policy of operation and engineering that the Scotia Company will, in the near future, resume its position in the general coal market and will obtain coal for steel making at a cost which will enable it to meet competition.

Above ground our plans contemplate reconstruction, chief among which will be the provision of new and thoroughly up-to-date by-product coking ovens.

The situation at New Glasgow is more difficult to determine and will require considerable additional thought. In so far as is possible it is our hope and intention to maintain and develop the steel manufacturing industry in all its departments in Nova Scotia on a successful and steadily growing basis.

Developments at Wabana

It is at Wabana, however, that the company is likely to make its most important progress in the near future. During the world war shipping conditions were such that the former trade carried on by the Scotia Company in the sale of iron ore disappeared entirely. The development of the property was pushed forward during this period and it is my idea to so develop the Wabana Mines that the Scotia Company will produce iron ore far in excess of its former outputs, and at materially reduced costs. The company will then be in a position to enter the ore markets of the world on a scale commensurate with its vast resources of iron ore.

Considerable time and capital will be required for these plans and developments to mature. Fortunately, the probability of these developments was foreseen by the management and by Hayden, Stone & Company, who represent the large U. S. interests in this company, and through the fortunate provision of an additional $5,000,000 of working capital by the sale of that amount of stock in the year 1917, the company is now placed in a remarkably strong financial position, having net current assets of over $10,000,000.00.

THE COST OF LABOR

Being Reduced by Efficiency Rather Than by Cuts on Scale

While there are some war-time industries in which wage schedules are being readjusted to a peace basis, manufacturers generally are still maintaining the standards of pay which have prevailed. At the same time there is a material reduction of the "cost" of labor in relation to the finished product. This emphasizes the point which THE FINANCIAL POST has frequently made that the wage standard depends largely upon the employee, and that if he will increase his efficiency and earning power the manufacturer will be in a position to pay proportionately. Employees generally are showing a willingness to do this, and where such endeavor is evident manufacturers will undoubtedly try to help the worker in meeting the high cost of living, so long as he can produce at a price to meet the consuming market. Lower wages, or at least lower labor costs, are inevitable in the period of readjustment; efficiency will help to keep up the standard.

SEN. BEAUBIEN ON PROPOSAL FOR TRAIN TO FRANCE

Originator of Manufactures Display Idea Explains Situation

MONTREAL.—As some misconceptions appear to have arisen regarding the proposal for a Canadian exhibition train to tour France, and afterwards Belgium, Italy and England, THE FINANCIAL POST asked Senator Beaubien, the originator of the proposed plan for the development of Canada's trade overseas, for a statement in reference to some of the points at issue.

One of these was that it was felt in some quarters that the time is still "a little premature." In reference to this Senator Beaubien cited a letter from Sir George Foster of April 10th, 1917, in which the Minister of Trade and Commerce acknowledged that the French Government were then anxious to carry out the project, and recommended that "the exhibition should be arranged as quickly as possible, so as to be ready to take advantage of the earliest favorable opportunity for display in France. In view of the opinion so expressed by the French Government, Sir George Foster adds in the same letter, "That a speedy decision should be arrived at as to plan and procedure."

Sir George Procrastinates

Senator Beaubien holds that if our Minister of Trade and Commerce admitted some twenty-two months ago that action was then pressing, it must be immensely more urgent now.

It was further stated in an Ottawa despatch that the proposition was put up to the Canadian Manufacturers' Association, which "was averse to encouraging it at that time." That the C. M. A. was favorable from the first is shown by a long report submitted on the 12th of May, 1917, by the C. M. A. to Sir George Foster. In this report every phase of this proposition is carefully examined and the project highly commended. Among other things it says:

"First and foremost we are impressed with the desirability of making this project a truly national advertisement, one that will do Canada credit, and of which Canadians can be proud. . . . The eagerness of their (French) Government and of their great railway corporations to further the object of our proposed exhibit in every possible way is a clear indication that they expect it will be an event of international importance, and that they are looking forward with pleasure to being participants in an undertaking that will inaugurate an era of closer trade relationships." In the face of such a situation, to do anything less than our best would be ungracious and unwise." Later on the report states:

"We look upon the proposal to put a Canadian exhibition on tour through France, and afterwards, perhaps, through other countries, as a form of national advertising from which splendid results for our working people may be expected, provided it is

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MANUFACTURERS ARE SEEKING OWN ORDERS IN EUROPE

The Trade Commission Has Landed No Definite Business

THE LUMBER ORDER

Evidently Only an Arrangement Regarding Finances—French-Canadian Criticism Should be an Asset

OTTAWA. — It begins to look as though our reconstruction trade with Europe, which was started after with considerable of a hurrah when the war ended, would not be something that would drop into the lap of Canada without effort, and a great deal of effort, at that. Our trade commission has now been in Europe for two months; reconstruction there has, presumably, been going on; but at the time of writing not a single definite order has come our way. It seems that the announcement of a forty million dollar order for lumber was premature; there is at all events a good deal of uncertainty about it still, and the impression here appears to be that all that was done was the establishing of a credit for that amount for the purchase of lumber. Norway and the other timber countries of Europe are after the business; and a Frenchman's business goes to the lowest bidder.

Apparently the most we can expect from the Trade Commission is to locate business abroad in a general way, and advise Canada of its whereabouts. Orders will have to be secured by personal effort on the part of our manufacturers. The United States is going to compete with us for every dollar of it; and they have a competitive organization now on the ground.

The American army was spread over a good deal more ground in France than the British, and probably came into closer touch with the people. The American is a good mixer. The study of French has been encouraged among American soldiers. American business methods applied to war were more spectacular, if no more effective, than our own.

Americans on the Job

"America went into the war for the sake of an ideal," says Isaac F. Marcosson in the "Saturday Evening Post," "but the inevitable and unsought by-product of that high participation will be something practical and permanent." What Mr. Marcosson means is that as soon as war ended, the fight for European business on the part of the thousands of business men in the American army began. M. Clementel, the French Minister of Commerce, informed Mr. Marcosson that by arrangement between the French and American Government, statistics were being prepared of all the engineers, workmen and specialists in the building trade in the American army who could be employed in reconstruction work in France. A plan is also under consideration to develop close relations between French and American capital on the one hand, and between French and American workmen on the other; and for the formation of corporations whose capital will be half French and half American to exploit the potash beds in the Thann districts. American capital is being invited to develop hydro-electric power in France. Finally, Mr. Marcosson urges that the United States should establish branch factories and push for business with French or French-speaking salesmen in Europe.

We have in Canada a large population which contains many excellent business men, whose language and national traditions are French. What more natural or fitting than that the bid which Canada is to make for French trade should employ this machinery ready to our hand? In addition, Canada might select suitable men from her army now in Europe to study trade methods and the French language, in order that we may be prepared to go after European business on an equal footing with our trade competitors.—T.M.F.

DIVIDEND PAYMENTS

Monarch Knit	Feb. 1	1¾%	Jan. 24
Ont. Steel Prod., pref.	Feb. 15	1¾%	Jan. 31
Montreal L.,H. Cons.	Feb. 15	1%	Jan. 31
Montreal L.,H.&Pr.	Feb. 15	2%	Jan. 31
Cedar Rapids	Feb. 15	¾%	Jan. 31
Can. Cement, pref.	Feb. 16	1¾%	Jan. 31
Bk. of Hamilton	Mar. 1	3%	Feb. 20
Union Bank	Mar. 1	2½%	Feb. 14
Bk. of Commerce	Mar. 1	3%	Feb. 13

Disposing of Some Fiscal Fallacies

LAST week's article in THE FINANCIAL POST on the tariff issue precipitated a discussion on the subject in the daily press, which, together with other developments, seems likely to result in some constructive effort to bring about a clearer understanding on this vexed problem. The points made by THE FINANCIAL POST that the primary consideration in relation to the Government's fiscal policy is revenue and that the manufacturer himself pays through taxation for a large measure of the protection he receives have been appreciated by the Toronto *Star* in a broad and intelligent discussion of the subject in which it was recognized that free trade for Canada can only be considered from an academic standpoint. On the other hand, the Toronto *Globe*, by the use of those impractical and fallacious generalities which indicate a gross ignorance of economic subjects and business principles or a desire to cater to public prejudice, sticks to the stock political arguments against the tariff as an institution which places burdens upon the public at the instance of the big interests.

Before dealing with the fallacies of the *Globe's* arguments, the position of THE FINANCIAL POST may be clearly outlined. THE FINANCIAL POST does not now and never has defended a 42½ per cent. tariff; it does not stand for any specific tariff, but it does stand for the intelligent and adequate protection of national industries so that Canada may secure the full benefits of the developments of all her natural resources.

That this may be accomplished and that at the same time the necessities of a tariff for revenue may be carefully considered we have time and again advocated the appointment of a tariff commission to treat scientifically with the whole situation and to provide a meeting ground for the divergent opinions of labor, industry and agriculture. THE FINANCIAL POST realizes that the solution of the problem from the manufacturers' standpoint lies in intelligently laying their case before the public so that their position, so widely misrepresented, may be understood and appreciated. We believe that the farmer is not so much opposed to reasonable protection as he is to combines for the fixing of unfair prices and in this respect the great bulk of manufacturers are suffering for the misdemeanors of a few—perhaps not five per cent of the whole industrial community. So that the farmers' viewpoint may be understood THE FINANCIAL POST is devoting much space in this issue—pages 10 and 15—to a statement on timely economic issues by E. C. Drury, vice-president of the United Farmers of Ontario, whose views upon these topics were enthusiastically endorsed at the farmers' convention in Toronto recently.

Other Sources of Revenue

In explaining the Government's attitude — to maintain the present tariff as a source of revenue—THE FINANCIAL POST pointed out last week that tariff reformers have offered no practical suggestions as to how the national income is to be maintained should a material reduction in duties be made. The Toronto *Globe's* contentions to the contrary, THE FINANCIAL POST reiterates those views. The alternatives offered by the tariff reformers, according to the *Globe*, are "a graduated income tax." "a direct tax upon the unimproved value of urban and rural land" and "the taxation of excess profits realized in industry and finance." Let us consider these suggestions in the face of the Government's financial requirements to carry the burden of the country's war obligations.

We have now a graduated income tax. The tariff reformers—largely farmers—ask that it be increased. This is not hard to understand. The income tax is proving—from all the evidence available—most inequitable. It lays lightly upon the farmer because his income is not direct and increased assets are not likely to be considered. As to the working of the act in Canada there is as yet no information, but in the United States—and the American legislation was used as a model here—the taxes collected from farmers are almost negligible. We quote the New York *Times* on this point:—

> Agriculturalists are at the bottom of the list as income tax payers, yielding less than one-fourth of 1 per cent. of the huge sum exacted by Government from gainful occupations.

A direct tax upon the unimproved land values is a levy which would not be a burden but a benefit to the farmer. His taxes would not increase but he would be able to buy vacant land more cheaply. As to the effect from the standpoint of revenue, it is only necessary to point out that the principle involved is, after all, that of single tax and the single tax theory has been exploded in Western Canada. According to C. J. Yorath, Commissioner of Saskatoon, who has made an exhaustive inquiry into the operation of this method of taxation, it is one of those ideals which stands any test but that of practical operation. If vacant land is taxed so high that the owner decides that he will forfeit his right rather than pay taxes, the benefits are doubtful indeed—and there are thousands of such cases in Western cities and towns to-day.

To increase the taxation of profits of industry to make up for the removal of a tariff which permits that industry to exist would be "killing the goose" with a vengeance. More than this the business profits tax was largely a war measure and the profits which permitted of heavy taxation were largely war profits. No one with any practical knowledge of the industrial situation would expect that taxable profits will continue as in the war period—even with the tariff as high as it now is—during the period of reconstruction. If industry is to continue prosperous taxation will have to be intelligent. This point is emphasized by Robert R. Reed, Counsel for the Investment Bankers' Association in an article in the *Trust Company Magazine*:—

> What has just been said emphasizes the thought underlying the dictum of John Stuart Mill that a heavy profits tax, even as a part of a general income tax, tends to stagnate business and to bring a nation to a state of industrial stagnation.

In general, the point of these suggestions for tax reform is that they do not affect the would-be reformers, but simply entail additional burdens upon the sections of the community already heavily taxed, while their means of creating wealth are seriously interfered with.

Protection and Revenue

On the ground that a tariff provides protection and, therefore, not revenue because it discourages imports, the *Globe* further endeavors to belittle the importance of duties in relation to the national exchequer. Of course this ignores the important practical fact that there is a tariff on raw materials, machinery, equipment, etc.—but practical facts are seemingly of little concern to tariff reformers.

Further, the *Globe* advances the same argument in regard to the findings of the Laurier tariff commission on the textile industry under which duties were raised in 1904 to preserve this important industry. Imports were curtailed thereby, it is contended. Probably. It was intended that they should be. Laurier saw then that they had to be or the textile industry could not exist. The loss in revenue was only that small difference between the tariff on the finished article and the tariff on the raw materials. The benefits in employment to labor by the upbuilding of an important industry would be hard to estimate. Would the *Globe* to-day dare to take the responsibility of ruining such an industry—giving employment to thousands—by ever reducing the tariff as Laurier did following his election in 1897?

The *Globe's* closing argument to show that the war tariff has prevented importations is hardly worth refutation before readers of THE FINANCIAL POST. It quotes importations of various woolen cloths and garments in 1915, and notes the reduction in 1918. Anyone knowing anything of the situation whatever is aware of the fact that Canada did not import woolen products in a normal quantity in 1918—not because the tariff raised the price, but because they could not be had at any price. Importers received only a fraction of their orders. But of course arm-chair tariff reformers cannot be expected to pay attention to such practical matters where a Blue Book is available.

THE EMBARGO ON PORK PRODUCTS AFFECTS MARKET

Situation May Become Serious if Relief is Not Given

CANADIAN BACON

Is Still in Demand, But British Government Desires to Clean Market of American Surplus

By J. L. RUTLEDGE
Editor, Canadian Grocer

While the Department of Agriculture is issuing statements of a more or less reassuring nature regarding the probable result of the negotiations now taking place between the British and Canadian Governments relative to a removal of the embargo on pork products, no intimation has yet been received of any intention of removing these restrictions. A commissioner is being sent to England to present the case of the Canadian industry, and it is possible that the case may be made sufficiently strong, to induce the Government to at least modify the embargo. The newspaper contention that Mr. Hoover is getting the British business for Americans firms, and that the British Government is discriminating against the Canadian product, is hardly a correct or a fair one. The embargo is absolute, against both Canadian and American products.

As a matter of fact the difficulty lies not in a present preference for American products, but in the fact of American purchases in the past. The surplus stocks at present on hand roughly estimated as sufficient for 15 to 20 weeks' supply, are practically all American products that do not appeal to the English trade, being heavier and more highly cured. As a result there has been a difficulty in finding a market for these reserves, while Canadian bacon arriving later has been readily sold. The British Government is now taking the simple expedient of starving the market into taking these reserve stocks.

It is true that the United States in sending Herbert Hoover to England, to consider the problems of provisioning Europe, and incidentally to find

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Established Over 100 Years

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Undivided Profits, $1,901,613.

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Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.

236 Branches in Canada Extending from the Atlantic to the Pacific.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE NO. 113

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st of January, 1919, and that the same will be payable at Head Office in this City, and at its branches on and after SATURDAY, the 1st day of February, to Shareholders of record of the 23rd of January, 1919.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 26th of February next, at 12 o'clock noon.

By order of the Board,

C. H. EASSON,
General Manager.

Toronto, December 20th, 1918.

The Dominion Bank

HEAD OFFICE - - - TORONTO

SIR EDMUND B. OSLER - President
W. D. MATTHEWS - Vice-President
C. A. BOGERT - - General Manager

THE LONDON, ENGLAND, BRANCH

Of the Dominion Bank at 73 Cornhill, E.C.

Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.

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Established 1865

HEAD OFFICE - WINNIPEG

Paid-Up Capital $5,000,000
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TOTAL ASSETS .... over $153,000,000

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J. W. Hamilton - Assistant General Manager

This Bank, having 299 branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.

Travellers' Cheques and Letters of Credit issued payable all over the world.

Colections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.

Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) New York and Montreal Offices, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureaus established at these branches.

New York Agency, 49 Wall St., New York City
GEO. WILSON, AGENT

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Incorporated by Act of Parliament 1855

Paid Up Capital - - - $4,000,000
Reserve Fund - - - - 4,800,000

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Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world, offering its clients every facility for promptly transacting business in every quarter of the globe.

Edward C. Pratt, General Manager

THE EFFECTS OF MERGER ON BANK OF NOVA SCOTIA

Absorption of the Bank of Ottawa Raises Assets to $324,000,000

FOR BETTER SERVICE

Few Branches Are Duplicated, While a Much Broader Field is Offered For the Use of Available Funds

While there has been no previous intimation of the negotiations between the Bank of Nova Scotia and the Bank of Ottawa which terminated in this week's merger announcement by H. A. Richardson, general manager of the former institution, the news did not come altogether as a surprise to the financial community, which had to some extent prepared itself for further bank amalgamations in Canada in view of the general trend of business, commercial and financial developments. Nor would it be a matter for astonishment to hear of negotiations in reference to further consolidations. The trend of banking business favors more efficient administration and this is being worked out by the gradual absorption of the smaller institutions. To this there would appear to be no real objection until there is seen that competition for business is in any way reduced by such mergers; there has been no concrete evidence as yet to support a somewhat natural apprehension in this respect, rather the contrary.

The consolidation will give the Bank of Nova Scotia total assets of $324,023,908, of which $72,694,205 is represented by the Bank of Ottawa. Principal items of assets and liabilities follow:

Chief Liabilities

	Nova Scotia	Ottawa
Capital and res..	$ 18,500,000	$ 8,750,000
Circulation . ..	17,568,924	6,954,012
Dem. deposits .	47,696,581	18,023,092
Savings	74,331,580	38,086,855
Total liab.	161,329,705	72,694,205

Chief Assets

	Nova Scotia	Ottawa
Specie	$ 9,586,983	$ 1,034,592
Dom. Notes . ..	13,670,782	2,808,393
Call loans	3,832,136	2,097,471
Call loans ab'd..	11,535,041	....
Current	39,819,493	26,475,469
Cur. abroad	9,682,644	....
Total assets . ..	161,329,703	72,694,205

In relation to the other Canadian banks the Bank of Nova Scotia now stands fourth in total assets, to the Bank of Montreal, the Bank of Commerce and the Royal Bank, respectively. Following is a list of the various chartered institutions with their total assets as shown in the last available Government bank statement:

Total Assets—to Nov. 30, 1918

Montreal	$559,149,043
Commerce	440,310,703
Royal	427,512,982
xNova Scotia	235,428,765
Merchants	173,551,039
Union	153,181,451
Dominion	145,876,090
Imperial	113,568,502
Toronto	100,386,167
Standard	87,452,155
Molsons	83,370,519
Hamilton	81,438,529
Hochelaga	56,985,995
Nationale	46,399,053
Home	29,239,246
Provinciale	24,736,953
Sterling	20,088,862
Weyburn	4,965,252

xIncludes Bank of Ottawa.

Regarding Earnings

A point of particular interest to shareholders is the earning power of the two banks concerned in this merger. Comparative returns on shareholders' money—embracing reserves, balance at the credit of profit and loss at the commencement of the fiscal year and the capital—for the last three years are as follows:

Earned on Shareholders' Money

	1918	1917	1916
Nova Scotia	7.4	6.8	6.6
Ottawa	7.3	7.0	6.5

During the period covered it will be noted that the returns have been very much alike. In fact if an average was set it is indicated that they would be almost identical. In 1915 we find that the Nova Scotia earnings of 6.4 per cent. were considerably better than the Bank of Ottawa with 5.8 per cent. In 1914 they were both exactly the same at 6.9 per cent. On the other hand, however, we find in 1913 the showing of the Bank of Ottawa at 8.2 per cent. was substantially above that of 7.4 per cent. for the larger institution. Shareholders will also be interested in comparing the stock market quotations of the two banks for the past nine years:

	Nova Scotia			Ottawa		
	High	Low	Div.	High	Low	Div.
1918	251½	248	14	206	201	12
1917	257½	248½	14	202	200	12
1916	261	254	14	204	202	12
1915	265	261	14	207	207	12
1914	265	257	14	208	201	12
1913	266	251	14	210½	201	12
1912	278½	259	14	213	207¼	11¾
1911	281	269	13½	210	208	11
1910	285¼	270	12	212½	200	10½

More Efficient Service

In his statement regarding the amalgamation General Manager Richardson, of the Bank of Nova Scotia, points out that, from the standpoint of branches located, the two institutions are peculiarly adapted to the union. They have nearly 300 branches throughout the country but at only eleven of the points concerned do the 95 branches of the smaller institution duplicate those of the larger. Further, these points are in the larger cities where the public is already well served with banks, so that practically no reduction of banking facilities is entailed.

Mr. Richardson advances the argument that as the result of war conditions Canadian banks, if they are to be successfully equipped to meet the growing competition for domestic business and foreign trade, should have a chain of branches such as will enable them to provide a thorough and complete business. In this connection he points out that the Bank of Nova Scotia has branches from the Atlantic to the Pacific as well as in Newfoundland, the West Indies and the United States, while initial steps have been taken to open in Great Britain. These enlarged resources and facilities will make the resources of the Bank of Ottawa a much more important factor in the development of the country.

The merger will be the fifth in Canada in the past seven years; the Royal absorbed the Traders in April 1912, the Quebec in October in 1916 and the Northern Crown in March 1918; the Montreal absorbed the Bank of British North America in July 1918.

Increase in Dividend

At the annual meeting of the shareholders held at Halifax assurances were given that the 14 per cent. dividend would be increased in the near future; the amount was not specified. At the same time it was arranged that application would be made to increase the authorized capital from $10,000,000 to $15,000,000. The present paid-up capital is $6,500,000, but the proposed amalgamation with the Bank of Ottawa will absorb the present unauthorized stock. The shareholders present expressed general satisfaction with the proposed amalgamation.

The Bank of Nova Scotia has been paying larger cent... since 1912. In 1911 13¼ per cent. was paid, prior to which from 1907 the return was 12 per cent. Looking back further we find that 11¾ per cent. was paid 1916; 10 per cent. from 1903 to 1905 inclusive; 9½ per cent. in 1902 and 9 per cent. in 1901.

UNIFORM LAWS FOR ALL CANADA

Credit Men's Association Making Progress in Bringing Provinces Together

Uniform provincial legislation throughout Canada is the topic of a communication to the editor of THE FINANCIAL POST from Henry Detchon, general manager of the Canadian Credit Men's Trust Association, written after reading the recent contribution to these columns by Geo. White of Brandon on the benefits which uniform laws would provide in Western Canada. Mr. Detchon points out that there is nobody feeling the lack of uniformity in provincial legislation more than the credit men and states that for a number of years they have been bending their energies in an effort to bring provincial authorities together with a view to co-operation along these lines. His letter continues

The Premiers and Attorney-Generals in every Province have been consulted and there was no dissenting voice. The result of our action in conjunction with the Canadian Bar Association under the presidency of Sir James Aikins was the appointment of Special Commissioners from each Province. The result of our action was a meeting in Montreal last September of representatives of all of the Provinces, the obje t being to decide upon a plan whereby the various provinces may get together to draft uniform legislation to be submitted to each of the Provinces for their consideration and, if possible, acceptance.

In order that this Commission would not be over-burdened with work, we have suggested that it confine its efforts to certain specific Acts. These are:

The Assignments Act
Joint Stock Companies Act
Bills of Sale and Chattel Mortgage Act
Conditional Sale of Goods Act
Landlord and Tenant Act
Sale of Goods Act and also with reference to the Registration of Judgments in one Province binding property in any other.

The Assignments Act is being taken care of by the Bankruptcy Act, introduced at the last Session of the Federal Legislature by Mr. Jacobs, of Montreal. We expect it will be introduced at the forthcoming Session as a Government measure.

The people who are behind this movement are the Canadian Bar Association, Chartered Accuntants' Institute, the various Boards of Trade, the Manufacturers' Association, the Retail Merchants' Association and practically every member of the Provincial Parliament and the Commercial Community generally.

The coal mines in the Lens region of northern Frrance will not be in operation for two years, according to estimates given by American engineers to Charles M. Schwab, who visited the region.

AUSTRALIA TO HAVE AN AGENT AT THE CAPITAL

Closer Relations Favored to Absorb German Business

TREATING WITH LABOR

Hon. H. Y. Braddon, Australian Agent in States, Discusses How Problems Are Dealt With in Commonwealth

By Resident Representative

MONTREAL.—With the object of opening the way for the appointment of a permanent trade representative of Australia at Ottawa, Hon. H. Y. Braddon, who is Australian Commissioner to the United States, paid a visit to the Governor-General at Ottawa this week, the Department of Trade and Commerce, and others. Mr. Braddon, who is a member of the Legislative Council of the Commonwealth (corresponding much to the Senate in Canada), is in control of large industrial interests in Australia, but was induced to spend six months or so to organize a "bureau" at Washington for the purpose of looking after and developing Australian interests with the United States.

Speaking to THE FINANCIAL POST during a brief visit to Montreal this week, he declared that he was hopeful that the Commonwealth would be represented soon at Ottawa. This might develop some form of trade preference between the two countries, such as was bestowed by Australia on England alone at present.

"What we trust to be able to do in a large measure," he said, "is to replace trade that formerly went to Germany, with Canadian and United States business. Germany before the war was a fine customer for our country, especially in primary lines. They would, for instance, take some of the lower grade ore that an American or an Englishman would not touch. With Canada there should be an increased business in paper, timber, machinery, textiles, etc. But this Canadian end of the trade question I have not studied yet."

Capital and Labor

During Mr. Braddon's visit to Montreal, keen interest was shown in his accounts of the relation of capital and labor in Australia. To THE FINANCIAL POST he declared that he considered that "compulsory arbitration" was doomed to be dispensed with as a working principle. Australia had tried it for years, and unsuccessfully. Indeed, with the various states making up the Commonwealth, there was little in the way of labor legislation that had not been tried out in that country. Mr. Braddon believes Australia holds the record for numbers of strikes, and at the same time, another kind of a record for absence of violence during these strikes.

He was keenly interested in new legislation that was being introduced by Hon. G. S. Beeby, of New South Wales. This provides for a certain length of time—several weeks—to elapse before the strike, if decided on, can go into effect, in order to permit of an official inquiry, which would be made public, and also for a pre-strike ballot, supervised, if necessary, by the Government, to ensure that it is fair. But after these preliminaries have been carried out a strike is legalized, if the vote calls for it.

A Minimum Living Wage

But back of it all is a provision for fixing a "minimum living wage" by a court consisting of members of the Board of Trade. This court will consist of five men, two appointed by employers and two by the labor men, and the purpose is to decide upon what is termed a fair wage for an "industrial unit," a man, his wife, and two children. This will take into account what is termed there, an "effective" wage, where the "purchasing power" of money is the chief factor. There is a provision for fixing wages in special disputes if a case is appealed to the Federal Jurisdiction (that is, of the Commonwealth), but this is in charge of one judge alone.

Should the hot-headed members of a union decide to go out before the preliminaries noted above had been carried out, the authorities could attach the funds of that union and the members would lose the benefits of all awards that had been made in their favor. As Mr. Bradden expressed it, "This is a real deterrent to illegal striking, for if they do, ipso facto—bang go all their awards."

A TRADE COMMISSION

Advocated in Resolution of Border Chamber of Commerce

The Border Chamber of Commerce representing Ford, Walkerville, Windsor, Sandwich and Ojibway, in surveying the post-war period in relation to industrial possibilities in Canada, emphasizes that this is the time, if ever to impress upon the brawn, brains and capital of the world the incalculable, undeveloped wealth of Canada and the endless opportunities for the worker, the investor, the buyer, the seller, theh manufacturer—for every line of business or industry—offered in Canada's vast undeveloped resources.

Believing that the Dominion department of Trade and Commerce cannot adequately direct effort toward trade development and that circumstances now demand its immediate accentuation and enlargement in such measure as may be necessary to enable for Canada the fullest possible advantage of her present exceptional opportunities for general trade expansion a resolution has been passed urging upon the Dominion Government the necessity for the immediate appointment of a permanent commission, the sole function of which would be toward the expansion of the general trade of Canada with ample finances for the widest and most active conduct of its efforts.

TIRE OF CONTROL BY GOVERNMENT

Protests General Against the Handling of British Shipping and Food Distribution

The mails from England are bringing every day news of impressive protests from responsible and authoritative sources against the continuance of Government control over the distribution of food and the management of British shipping.

Warnings of this sort are worthy of attention, says the New York "Sun," in order that we may avoid the evils which beset our brethren across the sea.

Lord Devonport enjoys the reputation of being one of the wisest business men in Great Britain. He was a prominent tea merchant before he entered public life; he has been Parliamentary Secretary to the Board of Trade and Chairman of the Port of London Authority; and he was the first Food Controller when that office was established in England as a war measure. At a recent meeting of the Imperial Commercial Association in London, held to protest against the further continuance of governmental interference with trade, Lord Devonport presided; and as the result of his own experience in office he declared that Government control could only be maintained on a wasteful and extravagant system, the heavily increased cost of which inevitably falls on the consumer. In England action by the Government expressly designed to keep down the price of commodities had in many cases only made the price higher. In the matter of shipping the outcry against profiteering by private owners led the Government to take over the control of all ships and a reduction in freights was confidently expected; whereas in fact under the Government there were many instances in which freights had increased enormously.

Lord Davenport's remedy is the immediate restoration of business to its real owners:

"The Government must be induced, or compelled if need be, to let go control at the earliest possible moment and to hand back to the owners of business the unhampered sway which they exercised prior to the war."

Juts before this significant utterance by Lord Davenport, the chairman of the famous Peninsular and Oriental Steamship Line to India, Lord Inchcape, reviewed the condition of the British shipping industry at a meeting of the company's stockholders. He deprecated the disinclination on the part of officials to give up the powers which they have acquired over all sorts of business activities on the plea that they were necessary to insure the winning of the war. "The whole country," he said, "is sick to death of control, and permits and licenses and priority certificates of all classes." Although admitting that the financial burdens of the war would be great, he was sure that the energy, initiative and resourcefulness of the people would bring about a speedy recovery if only the country could be freed from Governmental control and its irritating and wasteful interference.

ROSS RIFLE FACTORY

Government Declines to Grant Claim of $18,897,724

OTTAWA.—The Government has declined to grant Sir Charles Ross' claim of $18,897,724 compensation for the expropriation of the Ross Rifle factory at Quebec. The claim had been presented in the form of a petition of right. The Order-in-Council of March 23, 1917, which gave authority for expropriation of the Ross Rifle factory, it is pointed out, limited the amount of compensation to $3,000,000. In view of this fact, the Government considers it to be in the public interest and not unjust to Sir Charles Ross that he should not be permitted to engage in litigation against the Crown to recover compensation in excess of three million dollars.

PEACE BETWEEN CAPITAL AND LABOR AND PROSPERITY

Their Relations Must Rest Upon a Fair Basis

Unnecessary, Destructive Disturbances Must Be Avoided, Says Head of Big International Banking House

By JAMES SPEYER
President, Speyer & Co., New York

In order to enjoy real and lasting prosperity, bringing contentment and happiness to the greatest number of persons, we must have peace abroad and peace at home.

The new year seems to promise a period of peace abroad. It will depend, however, on the vision and wisdom of the statesmen at present in charge of their nations' destinies, whether this era of peace abroad is going to be of long duration or whether the old national ambitions and rivalries—political, economic and commercial—will lead to repetition of the history of the past, viz., alliances and balances of power, finally ending in strife and misery.

Our President, representing our people courageously, has taken the lead in an effort to bring about a new and better order of things. Not only those who have suffered irreparable losses, but I am sure the great masses of men and women in all countries are with him, and pray for his success. The peoples of all nations want to be relieved of the burden of armaments and feel that their own individual welfare is bound up with the realization of our President's humanitarian aims, so that this war, which has been won, will bring them one of the most important fruits of victory, viz., to end wars as far as this may be humanly possible.

In the meantime we know that time alone can heal the wounds and obliterate the antagonisms which have been created, and it is our high privilege to contribute in no small degree to this end. Our nation also is fortunate that it can help in repairing the financial and material losses and fill some of the gaps which the world war has caused.

We are able to supply raw materials and foodstuffs, of which for some time to come Europe is and must be in urgent need. This, if nothing else, should insure employment for our own people and industrial and commercial activity, but in order to get the full advantage and benefit of this activity (which is bound to come, possibly after a short period of transition) we must have peace at home, viz., the relations of what is called "capital" and "labor" must rest on a fair basis and unnecessary and destructive disturbances must be avoided.

Views of Labor Problem

It has come to be recognized that labor wages are not regulated by supply and demand. Labor is performed by men and women, who, as living human beings, are entitled to considerations outside of "supply and demand" if the well being of the nation is to be advanced. Of course, in this age of keen international competition in industry, it will be difficult for any one country to set up a higher standard of living and maintain it permanently by itself. It is, therefore, much to be desired, in the interest of all, and especially of the working people, that at the great international conference which is about to assemble, the industrial nations may reach binding agreements as to the hours of work per day or per week, as to minimum wages, as to women and child labor, etc., because it seems to me that only in this way can such a standard of living of the working people be established and maintained by any one country without its industries being beaten by those of countries with less advanced humanitarian views.

The last fifty years have seen a marvellous growth of industry and the development of mechanical devices, resulting in great material benefits to the masses of the people. The next fifty years, I believe, will witness a great development, through legislation or otherwise, in the well being, as regards health, safety, and general living conditions of the individual employed in industry.

It is to be regretted that during the last four years capital and labor have had to be largely employed to produce things which are of little or no economic value—in fact, to produce things and material destined to destroy human life and property. This destruction has been appalling, and it will take the combined efforts of both labor and capital, for many years, to make good what has been thus wasted.

For the present, not only labor, but also capital will command a higher price.

As the term "labor" is commonly used to represent millions of working men, so it should be borne in mind that the word "capital" does not really represent a thing, nor a few very wealthy men, but it means in civilized countries the savings of men and women of comparatively moderate means, which they have invested, either directly or indirectly, in industrial undertakings giving employment to millions.

Those investors, be they savings bank depositors, life insurance policy-holders, owners of railroad and public utilities securities, etc., be they large or small, have during the last few years not been shown as much consideration as is necessary for the country's prosperity and development.

I think the people of our country have come to realize that there must be a change, because it is impossible for "labor" to prosper if "capital" is deprived of its fair return. The higher cost of the necessities of life, which was a good and sufficient reason for raising wages, also is a good and sufficient reason to insure to those who have been able to save and invest a higher return on their investment.

Employment for War Workers

The problem of finding employment for men and women who were temporarily working in war industries and for the men who have been serving the country in our army and navy is now uppermost in people's minds. In this connection the improvement of railroad credit and encouragement of capital to be invested in this important industry are of prime importance. We all know that there have been periods in our country's life when every one who was willing to work found employment at good wages, when there was in fact a labor shortage. During the last four years we have developed on a large scale a new industry, viz., shipbuilding, while at the same time the usual flow of immigration has entirely stopped.

We all realize that our country comes out of the war with enhanced prestige—the great creditor nation of the world. Therefore, considering our country's natural resources and our people's energy there is no reason why there should not be work for all, provided we follow the common sense policy to let capital, as well as labor, have a fair return.

The American people have, in an incredibly short time, adjusted themselves to entirely new war conditions, conditions foreign to our national life. The accomplishment of these results has astounded the civilized world. Certainly we will be able to readjust ourselves to normal peace conditions and to resume our usual life and activities. For the immediate future the return for both capital and labor is likely to remain high, but the time will come when, in due course, through reduction in the price of the necessities of life and through natural causes, wages, as well as the income on savings, will become more normal again.

Every American has more reason than ever before to look with confidence to the future in the belief that American common sense and fairness will prevail toward both "capital" and "labor," so that, while we have peace abroad, we also shall have peace at home.

GUARANTEE CO. REPORTS FOR YEAR

Increase of $492,349, Showing Slight Decline, Indicated in Annual Statement

At the annual meeting of shareholders of the Guarantee Company of North America on Thursday the report showed total income of $492,349, a slight decline from last year's figures of $498,870. The total resources, as security for policy holders increased from $2,530,859 to $2,656,497. The amount received from premiums was $324,634 compared with $379,307 in 1917, while the underwriting showed a small increase in cost from $227,980 to $233,495. The losses paid were $57,581 as compared with $42,423.

The total amount of risks in force, less reinsurance, was $130,281,526. The total amount of claims paid and provided for since the company was established in 1872 was $2,907,369. The affiliated company, the United States Guarantee Co. of New York, paid its regular 10 per cent. dividend, and increased its surplus to shareholders by $92,337, to $767,627. The Canadian directors completed arrangements for a controlling interest during the year.

	1918	1917
From premiums ..	$ 374,684	$ 379,307
From int. and rents	117,715	119,563
Income for year ..	$ 492,349	$ 498,870
Bal. from prev. yr..	2,166,859	2,087,056
	$2,659,208	$2,585,906
Expenditures		
Underwriting, exp., etc.	$ 233,495	$ 222,980
Reinsurance	32,555	36,261
Losses paid, net ...	57,581	42,423
Patriotic funds, etc.	8,443	......
Dividends	36,552	36,552
Exp. for year	$ 368,626	$ 338,216
Balance	$2,291,497	$2,247,690

IMPROVEMENT IN LOANING FIELD IS INDICATED

Canada Permanent Mortgage Corporation Report is Interesting

STILL CONTRACTION

But By No Means on the Same Scale as in 1917—Sterling Debentures Also Hold Better

The experience of the Canada Permanent Mortgage Corporation during 1918, as exhibited in the annual statement which has just been issued, may be taken as indicative of general conditions in the mortgage field. The contraction in the demand for mortgages, which has been a feature of the war years, was still observable in 1918, though, perhaps, not to the same extent as in the preceding years. Whereas between 1916 and 1917, the Canada Permanent's mortgages were reduced from $27,859,081 to $26,742,535, between 1917 and 1918, the contraction only amounted to about $400,000, and at the end of 1918 there was on loan the sum of $26,318,586. It may now be confidently expected that the tide has turned and that, with the end of the war, the demand for money to carry on necessary developments will be such as to gradually restore the business lost during the past few years.

Security Investments

The funds of the company diverted from mortgages have been practically all placed in securities, and at the close of the year over $2,000,000 stood invested in municipal and Government debentures and other securities. When it is recalled that at the end of 1914, investments in these securities only totalled $842,911, the change during the war period is marked. Necessarily, the fact that the interest return on war bonds has been less than on mortgages has had its effect on earnings, and the latter have also been affected by the higher cost of handling the business. As a result, it is found that the net profits for the year of $824,532 are somewhat less than for the previous year. These profits since 1913 are shown in the following table:—

	Div.	% on Capital	Earn.
1918	10	13.73	$824,532
1917	10	14.20	852,325
1916	10	14.44	866,126
1915	10	14.53	872,105
1914	10	14.61	876,765
1918	10	14.73	884,627

Deposits Are Less

The drop in deposits from $6,197,543 at the end of 1917 to $5,461,936 at the end of 1918 may be attributed entirely to the withdrawal of money on account of Victory Loan subscriptions, since prior to 1918 deposits were expanding steadily from year to year. There has been another drop in sterling debentures outstanding, though it is interesting to observe that the decline between 1917 and 1918 was very considerably less than between 1916 and 1917. On the other hand, currency debentures are increasing, the gain of over $600,000 made in 1918 being most encouraging. The company has added another $250,000 to its reserve, bringing the latter within $500,000 of its capital stock. After meeting dividends of $600,000, there remained a balance of $172,509 to be carried forward. This was slightly less than at the end of 1917, but it is still sufficiently large to be reassuring to shareholders.

The company continues to show a strong position as regards cash on hand, and with $1,655,148 immediately available, should be prepared to meet any call for mortgage money that may come. The following table compares liabilities and assets for 1916, 1917 and 1918:—

	1918	1917	1916
LIABILITIES			
Deposits .	$5,461,936	$6,197,543	$6,059,273
Deb., ster..	9,938,660	10,135,081	11,305,960
Deb., cur..	3,798,058	3,186,332	3,112,237
Deb. stock	427,632	427,613	427,613
Sundries .	12,589	13,113	14,045
Cap. stock	6,000,000	6,000,000	6,000,000
Reserve ..	5,500,000	5,250,000	5,000,000
Div., pay..	150,000	150,000	150,000
Balance ..	172,509	197,977	195,652
ASSETS			
Morts.	$26,318,586	$26,742,535	$27,859,081
Loans ..	502,866	527,087	546,052
Secur.	2,045,344	1,687,493	1,615,901
Real est.	811,086	170,850	129,888
Offices ..	628,355	621,855	621,855
Cash ..	1,655,148	1,807,839	1,492,003

MONTREAL EXCHANGE

Doubling of Membership is Being Urged

The proposal to double the number of seats on the Montreal Exchange, from 66 to 132, is being viewed this week from a new standpoint. This is that the increase would enable the Exchange to insist on its control of every individual member of a broker's firm. That is the new rule would compel all members of a firm to hold seats on the Exchange instead of as now, being usually limited to a single member. If for any reason an applicant is refused membership, there is nothing to prevent him going into partnership later with someone who is a member, or who may be admitted subsequent to his own objection. On the other hand some firms with three or four partners would be compelled to purchase one or two new seats in addition to the bonus one allotted them under the new proposal.

THE DECEMBER BANK STATEMENT

Current and Foreign Call Loans Decline—Deposits Much Larger

OTTAWA.—The December bank statement will show a contraction of $7,000,000 in current loans as compared with November, but the total accommodation of Canadian chartered banks to trade and industry remained above the $1,000,000,000 mark. Demand deposits increased by $44,600,000 and savings deposits were higher by $19,100,000, making a total increase of deposits of over $63,000,000.

A decline in call loans abroad of over $20,000,000 may be taken to indicate either an increased demand for funds in Canada or a curtailment of stock market operations in New York—probably the latter. Some of the more important changes are indicated in the following summary:

December Bank Statement

	Dec., 1918		Change
ASSETS			
Specie ......$	79,315,616	—	$4,461,140
Dom. notes ..	175,744,885	—	6,467,835
Gold reserve..	130,900,000	—	600,000
Call lns. abd..	150,248,322	—	20,787,410
Can. call	89,120,423	+	3,445,360
Current	1,075,640,003	—	7,069,652
Abroad	119,153,924	+	9,143,109
LIABILITIES			
Circulation ..$	224,501,117	—	$10,481,861
Demand dep..	711,034,060	+	44,667,701
Savings	958,473,557	+	19,144,286
Foreign dep. .	206,845,143	—	14,454,568

SMALL PACKING PLANT TO CLOSE

Keen Competition and Regulated Profits Make it Hard For the Little Fellows

The closing of the plant of the Chatham Packing Company, Chatham, Ont., recently, because it was found impossible to operate at a profit on the margin permitted by the Government, is an indication of the soundness of the contention of THE FINANCIAL POST, raised at the time of the packing investigation, that a too rigid regulation of profits would mean strangulation of business.

The larger packers, by reason of their turnover, can operate on a margin that this instance proves hopelessly inadequate to meet the needs of a smaller plant. In this way this rigid limitation tends to eliminate the very competition that might be expected to regulate profits.

In a recent article appearing in these columns it was shown that the large American concerns were operating on a profit basis around 2 per cent., and showing at least some profit on that business. The head of a large Canadian packing plant, commenting on this report, made the statement that the average profit of the Canadian packing firms would be less than this figure. That is of course lower than the basis of profits permitted by the Government, yet these companies are presumed to be making satisfactory profits. But they are making it on a basis of an enormous turnover. In the case of the small plant the turnover, being a mere fraction of the other, and the operating costs being spread over this comparatively small burden of business instead of the heavy outturn, of necessity reduces the profits of these plants to the vanishing point, such conditions must eventually eliminate the smaller packer.

UNLISTED SECURITIES

STOCKS—	Bid	Ask
Abitibi Power, pref., 7 p.c...	88½	93
Alta.-Pac. Grain, com.......	118	..
Do., pref.	84	90
Atlantic Sugar, pref.	67	..
Belding Paul, pref.	80	86
British America Assur.	8¼	11
Can. Machinery, com.	16	22
Do., 6s	75	82
Can. Mortgage	67	72½
Can. Oil, pref.	87	99
Carter Crume, pref.	50	60
Dom. Power, pref., xd3½ ...	88	94
Dunlop Tire, pref.	89½	94½
Do., 6s	94	99½
Eastern Car 6s	92½	97
Guelph and Ont. Invest.	..	90
Home Bank	78½	83½
Imperial Oil	345	380
Lambton Golf	385	425
Matthew Laing 6s	95	..
Macdonald, com	21½	23½
Morrow Screw 6s	88	92
National Potash	..	1
Ontario Pulp 6s	85	90
Pressed Metal, com.	..	27
South. Can. Power, com.	17	21½
Sterling Bank, xd	.91	..
Sterling Coal 6s	73	77½
Toronto Power 5s, 1924	87½	..
Trusts and Guarantee	75	..

Banking Service

The attention of manufacturers is drawn to the excellent facilities this Bank offers in all branches of a complete banking service.

A good banking connection is an essential to the success of the manufacturer or merchant.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, $15,000,000. Reserve Fund, $15,000,000

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid Up - - - - -	$ 14,000,000
Reserve and Undivided Profits -	15,500,000
Total Assets - - - - -	427,000,000

HEAD OFFICE, MONTREAL

Sir Herbert S. Holt, President.
E. L. Pease, Vice-President and Managing Director.
C. E. Neill, General Manager.

530 Branches in Canada, Newfoundland, West Indies, Central and South America, etc., distributed as follows:

Canada	465
Newfoundland	6
West Indies	47
Central and South America	9
Spain (Barcelona)	1
U.S.A. (New York)	1
Great Britain (London)	1
	530

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Savings Department At All Branches.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

CAPITAL, - -	$ 6,500,000
RESERVE, - -	12,000,000
TOTAL ASSETS, over	130,000,000

HEAD OFFICE, HALIFAX

BOARD OF DIRECTORS:

Charles Archibald, President
G. S. Campbell and J. Walter Allison, Vice-Presidents
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Hon. N. Curry — James Manchester
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W. D. Ross — Hon. M. C. Grant

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DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, We Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, We Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, burn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Tra

THE HOME BANK OF CA

"A man may, if he knows not h to save as he gets, keep his nose his life to the grindstone."

Branches and Connections Throughout C
HEAD OFFICE AND EIGHT BRANCHES IN TO

Free Financial Informati

THE FINANCIAL POST maintains an Investors' Info for its subscribers. If you desire special informa dian security or other financial matter, send along yo are by mail and correspondence is confidential. Enclos

...OF SECURITIES—Market Continues Attitude of Waiting

HE Canadian markets show a tendency to continue the waiting attitude which has been in evidence for some time and which is largely a reflection of conditions in New York. Generally speaking, situation is narrow, but there specialties are occasionally attracting ...tion with price changes shown on small trading. There is not much ...est being taken by the investing public but on the other hand, the ...ings are light and the situation seems to be pretty well bought. There ...s to be much to support the opinion of New York investment houses prices are dragging pretty close to the bottom and that a forward ...ment would be the result of any favorable development.

The bank stocks have continued to occupy the centre of the stage, and general tendency has been to still higher levels, although there has a reaction in a few instances. There is an active demand for the loans and for other bonds, but offerings are light. The mines have very irregular, with a tendency towards weakness on profit-taking.

S. Bache & Co., New York.—It is difficult, from the trend of the general market, to draw conclusions of this character. There is, in fact, no trend, ...s some inference is drawn from the speculative courage which takes up ...al industrial stocks and makes active markets for them. In this courage must be a modicum of optimistic belief in the future. That the operations ...onducted principally on the Curb (the only unrestricted market) is by some the basis of conclusion that if the larger market were provided with funds, ...ar tendencies would be observed. But there is apparently no intention of ...ving these restrictions, and investment buying, upon which the market must ...d, is made hesitant by the labor situation, and by other cross currents of ...tainty.

...ayden, Stone & Co., New York.—During such a period as we are now passing ...gh, it is absolutely impossible to tell when the low point is reached. Many ...e to the theory that before we reach the end there will be a sharp break. ...may be so, but for our part, we believe the important thing is to be sure to ...aboard" during this period. A difference of a few points near the bottom of ...arket is not a matter of first importance.

STEEL

...Mills Are Not Doing Much Bet... Than 60 Per Cent. of Their Capacity

By A. R. KENNEDY,
...Editor "Canadian Machinery."

...belief is growing that there can ...more reductions in the price of ... If there are any they will be ...nd surrounded by local condi... The only chance for prices ...g will be when labor costs de... Figures that have been given ...some of the large United States ...rs make this point quite clear. ...st per ton for United States ...r wages in 1918 was on an ... of $27.42. How costs have ...ed is reflected by the fact that ...e per ton in 1918 was almost ... the selling price in normal ...before the war. Another ele...at is entering largely into the ...d production cost is the fall... in operation and output. ... no corresponding decrease in ...d and kindred charges. It ...t take much consideration to ...he conclusion that in steel, ...ything else, decreased produc... stationary charges are not ... work towards a lowering of ...ng cost of the finished pro...

...lly compiled reports from the ...tres of United States place ...r cent. as the capacity at ...e mills are producing now, ...dences are that there is not ...business in sight to increase ...re. It is not easy to compute ... for the Canadian mills, al...t stands to reason that there ...early the volume of business ... books that there has been ...he past three years.

...nce has been made in these ...several times to the business ...t come under the heading of ...ding of Europe," and our ...as been that there might be ...y to exaggerate the volume ...s that would come from that ...It has been pointed out by ...ANCIAL POST many times ...ompanies in the countries ...the markets there had been ...p their production and add...ir equipment for several ...er the pressure of war. ...the war is over they are ... for business which is ...at their doors, and their ... splendid physical shape ...trade. In view of that ...eems likely that Eur... is going to come ...tic only after some ...ng.

...nteresting to note that ... are out with a price to ...n that meets the U.S. ...There is the advantage ... duty, freight and war ... the Canadian mills in ..., for instance. It is ... then for Canadian ...he $2.70 base price at ... on the tariff, freight ... name the total as ...ce to the Canadian ...ey to take advantage ... rate they might in...ice a few cents per ...parently this has not ...Canadian plants also ...tage of quicker de...n points.

... many shares being ... steel group. It is ...here should be(be...ing in the situation ...tor to buy, and in...er of good options ... money in other ...y even be found ...mpanies will be ...t as a good ...ake repairs ...lants. They ... tremendous pressure for some time past, and there are changes and repairs that call for a cessation of operations before it is possible to make them.

	Last Jan. 16	Sales Jan. 23	Ch'ge
Can. Car	29	29⅝	+ ⅝
Do., pref.	84	82	— 2
Can. Loco., com.	63½	62½	— 1
Gen. Electric	104	102½	— 1½
Dom. Iron, pref.	95	94	— 1
Dom. Steel	62	60	— 2
N.S. Steel, com.	60	*60	...
Steel of Can., com.	63¼	59¾	— 3½
Do., pref.	93½	93½	...
Rus. Motor, pref.	70	75	+ 5
Do., com.	*84	*84	...

*No sales this week.

NOVA SCOTIA STEEL

There have been no sales of either common or preferred during the week, so it is not known just what strength the securities will display. Several conferences of officials have been held during the past few weeks, and it may be that an announcement concerning future operations and plans may be forthcoming very soon. As a matter of fact these conferences are being continued in the East now. Reports indicate that there is a decided falling off in production, compared with recent months. No decision has been announced regarding the payment of a dividend on Eastern Car. Col. Cantley, chairman of the Board of Directors of the Nova Scotia Steel & Coal Company, has sailed on the SS. Metagama for London, England. The operations of the Scotia Company during the war period were very extensive and it is understood that Col. Cantley, during his trip to London, will confer with the British Iron Masters regarding the extending of the terms of the contracts for the Wabana ore of the Scotia Company. Negotiations will also be carried out with the Canadian and Imperial authorities regarding the claims of the Nova Scotia Steel & Coal Company for five steamers torpedoed by the enemy during the war period. Afterwards Col. Cantley will go to Paris and effect a final settlement regarding the transactions carried out by the Scotia Company with that Government. Col. Cantley is accompanied by J. R. Macgregor who, for a number of years past, has been on the staff of the president of the Company.

DOMINION STEEL

Trading continues in Iron, despite the general dullness of the market. Rumors are to the effect that an appointment is to be made to the office of general manager, vacant since D. H. McDougall went to the Scotia Company. Charles Fergie, president of the Intercolonial Coal Co., is mentioned as the new official. The revenues of the past three years have been used largely to reduce indebtedness incurred in previous years, to retire bonds and debentures and to make improvements and extensions to and generally to strengthen the Company's position and enable it to pull through a period of temporary disturbance without serious loss.

STEEL OF CANADA

Steel common shows a tendency to sag toward the end of the month's trading. Around 62 takes in most of the selling. There has been a wide range of prices during the war period. The highest point recorded was in 1916 when preferred touched 107¼. At that time a deferred dividend was included with the regular payment. Common was also at its highest point at that time. Since then there has been a gradual recession, but common has held above 60 for some time.

ALGOMA STEEL

The reports of operations covering the last six months of 1918 show a great improvement in production. For the last six months the steel mill turned out 204,557 tons, against 139,198 for the same period of the previous year, or an increase of 65,359 tons. There is likely to be the same rate of profit as previously, about $18 per ton, which should be entirely satisfactory from the standpoint of the holder of the security. Secretary Alexander Taylor of the Lake Superior Corporation has issued a statement under date of January 10, in which he says: "Rail and other business on hand should keep the mills operating well into the balance of the current fiscal year. October was the best month of production—total ingots for that month being 52,829 tons. On Novembed 10 the production of shell steel was discontinued, but the plant then went on to billets and on November 24 started rolling rails. The net earnings of the Steel Corporation for the six months ended December 31, 1918, show a substantial increase over the corresponding six months of the last fiscal year. The first battery of 25 coke ovens was completed and produced coke on October 25, and the second battery should be producing early in February. That will complete all heavy construction work now under way.

DOMINION FOUNDRIES

Intimation has been again given during the week of the intention of this plant to enlarge in order to cater to a greater field in the sale of steel plate. It is planned to instal at some future date a mill to roll 42 universal and 84 inch sheared, which is a much more ambitious outfit than that used at present which limits production to a 24 inch universal roll. The stock of this company is not listed, but there are sales made here quite often. Latest quotations are 65 for common and 90 for preferred. Common has been kind to its holders during the past year, paying a 10 per cent. bonus as well as the dividend.

ONTARIO STEEL PRODUCTS

The directors of this company make an announcement of a dividend of 1¾ per cent. on preference, payable February 15 to shareholders of Jan .31, and ½ per cent. on arrears, payable February 15, to shareholders of January 31.

NATIONAL STEEL CAR

No official explanation has been made of the affairs of this company, nor is there any new reason advanced for the recent flury and strength in preferred. The latter has sold up to 27, while common, although not stronger, is passing more freely. Common in 1915 was up to 55½, against a present showing of 5½, while preferred in the same year was as far up as 103 against this year's high of 27. One broker gives it as his opinion that the preferred, in view of the fact that there are almost $40 deferred dividends against it, is selling too low. A considerable amount of work is on the books of the company at Hamilton, and the proposition is not without interest to the speculative buyer.

TEXTILES

Prices Declining in States and Guarantees May be Duplicated Partly in Canada

By H. H. BLACK.

The trading in textile securities this week again assumed the broad basis of last week, without any special feature in any particular list. Prices ruled firm throughout and averaged a shade higher than last week, withstanding the tendency of the market in the main to follow New York's pronounced weakness.

The tendency to cutting of prices on cotton textile goods in the United States that was noted last week, was in evidence early this week as well, when another large company named prices for Fall in a number of lines. Besides considerably lower prices the mill declared that the goods would be billed at the company's prevailing prices on the day of invoice, if these prices should be lower than prices at which orders were accepted. This simply means that this mill, in order to reassure buyers against a future decline in prices, agreed to allow them the advantage of any that should be made. It is agreed that this step will be followed by a large number of mills in the United States.

Side by side with this step should be set that of the knit goods manufacturers, meeting in New York, in agreeing to give the jobbers in Fall wool and cotton underwear the benefit of "the lowest price the manufacturer makes to July 1, 1919," insisting at the same time against cancellations except for non-delivery or inferior goods. An almost similar course was taken by the hosiery manufacturers.

This simply means that the mills found a disinclination on the part of buyers for wholesales and retails to purchase their usual supplies for Fall in advance, fearful that later on goods might drop and they would get caught with the higher priced merchandise. Just what some of the immediate declines are—discounting the future, it would seem, to some extent—is shown by one line of cottons failing from a high of 30 cents in 1918 to 21 cents; another from 31 to 20; another from 45 to 34, and a fourth from 19 to 10½ cents per yard. Trade comment on this action runs along lines like this: "The adoption of this policy by such a large producer will naturally point the way for others, and will end in a large measure the grave uncertainty that has been delaying the placing of mill orders by jobbers, and has been tending to lead to idleness in manufacturing centres."

Just to what extent this course of procedure will be forced on Canadian mills it is impossible yet to determine. It should be taken into account, at the outset, that there was, relatively, a much higher advance on cotton, woollen and knit goods lines in the United States than in Canada; and in a sense the mills there can "afford" to reduce prices to a greater extent than Canadian mills, even if labor costs continue close to where they are at present. The drop in raw cotton, partly due to the Government's final report for 1918 showing a much larger net production than in 1917, and partly to the uncertain demand, will tend to reduce mill prices in Canada.

Thus, once again the warning should be given, that while the mills whose fiscal years end in a few months, are likely to make even better showings than in 1917-18, it is almost inevitable that the subsequent statement will show declines in net profits, both owing to a drop in the percentage of profit, and also in the aggregate of the goods sold.

	Last Jan. 16	Sales Jan. 23	Ch'ge
Can. Cot., com.	68	*68	...
Do., pref.	76	76	...
Dom. Tex., com.	102	101½	— ½
Do., pref.	101	101	...
Mon. Knit., pref.	80	80	...
Mont. Cot., com.	59	61	+ 2
Do., pref.	100¼	100	— ¼
Penmans, com.	80	78½	— 1½
Do., pref.	85	85	...

CANADIAN CONVERTERS

There was a tendency this week to a slight easing off in Canadian Converters prices, a few sales running between 45¾ and 46.

CANADIAN COTTONS

With declines in prices coming into effect in the United States, on an admittedly lower basis of profit, Canadian Cottons is still several weeks off from the point when a decision must be made as to prices for next fall to the jobbers. Even if these are reduced, influenced to some extent by action across the border, this will not affect the earnings for the year ending March 31, 1919, as fall goods do not begin to be produced and go out until the summer. Present production is on orders taken months ago. Sales of stocks at a minimum this week, with none of common, and a single transaction of preferred at 76.

DOMINION TEXTILE

The Dominion Textile Company would appear to hold the strongest position of all the mills in relation to a forced cutting down of profits next year, for, it is planning to increase its domestic and export trade, and a large growth in both would compensate for a lower margin of profit. When the new St. Lambert mill is completed and operating this should be the condition. Sales on the Exchange this week were around last week's levels, 101¾ to 102 for the common, and preferred at 101.

MONTREAL COTTONS

The improvement in the position of Montreal Cottons this past year is reflected in the strength on the Exchange. The preferred holds up strong at par, over 200 shares being bought this week, while the common was one up at 60 and an odd lot went at 61 on Tuesday.

PENMANS

There was a slight weakening in the common stock of Penmans this week, to 78½, but the preferred held in an odd lot sale at 85.

WABASSO COTTONS

After rising to 60 last week, Wabasso Cottons found itself influenced by the sentiment of the market and sold slightly off to 59½ and 59.

MILLING

Milling—Raising of Ban on Bran and Shorts Will be a Relief to Canadian Milling

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

The Canada Food Board announcement, of the permission to export bran and shorts, published on Wednesday of this week, will be gratefully received, though not so gratefully as it might have been some months ago, when the matter was first broached. The mills are now permitted to grind patents, clears and low grade flours provided that this flour is sold only to the West Indies, Central and South America. To accompany such shipments it is permissible to ship 65 per cent. of bran or shorts. To other countries, including Newfoundland, license for the export of these feeds is also obtainable.

The removal of these restrictions will do something to encourage the West Indian trade. It is probable that the mills will mill for this trade a high grade flour, which will yield about 65 per cent. of bran and shorts to the barrel of flour. If the West Indies did not want these feeds then the general trade will be that much better off. This, however, will not relieve the situation in Canada to any marked extent. So that the permission to export bran or shorts to other countries means little as these stocks are already short for domestic supply, and certainly there is no likelihood of there being any exportable margin. Had these restrictions been withdrawn some months ago when the export business was in full swing, and had it been permissible to mill high grade flour for the export market, there would have been a material surplus of feeds that would have offset a lower price in flour sales, and would in this way have encouraged business. However, the removal of the restrictions is a step in the right direction, and removes some of the annoying handicaps that have tied up business to such an extent of late. It is hoped too that it may have a tendency to improve exports to the West Indies and South and Central America.

As far as the general situation goes, there is no indication of any relief from the present embargoes till late in February, if even then, and though domestic trade is comparatively good, it is a comparatively small item compared with the production capacity of the mills. It is estimated that present stocks on hand, are sufficient to look after the domestic trade till probably the end of March, so that it looks as though the mills are facing a shut-down of some duration. This shut-down coming so close on the heels of the former shut-down is a serious factor. It means a month or two months when overhead charges continue, and business is at a practical standstill. As the milling business must, to be operated satisfactorily, be operated at a capacity basis, it will be seen that these times of inactivity are a serious blow to the industry.

	Last Jan 16	Sales Jan. 23	Ch'ge
Can. Bread, com.	22½	23	+ ½
L. of Woods, com.	165	*165	...
Do., pref.	106½	106	— ½
Maple Leaf, com.	134½	127¾	— 6¾
Do., pref.	98	98¼	+ ¼
Ogilvie Flour, com.	224¾	220	— 4¾
St. Law. Flour, com	94½	*94½	...

*No sales this week.

WESTERN CANADA

The mills of the Western Canada Flour Mills Company have been closed for some days, with no indication of an early opening. Domestic business is reported fair with present stocks equal to any demand made upon them for some time.

MAPLE LEAF

A little easier feeling developed in regard to Maple Leaf Milling Company common early this week, the uncertainty of the export situation evidently tending to stay the upward movement of this stock. Wednesday's trading showed a decline of 6½ points from the high point of the week. Sales reached a total of 1670. The preferred under light trading showed a modest advance from 98 to 98½.

OGILVIE MILLING

There was practically no trading in the stocks of the Ogilvie Milling Company, such sales as were recorded while below the previous high yet maintained a very strong feeling, the price being 220. There were no transactions in the preferred.

LAKE OF THE WOODS

There was some movement in the preferred stocks of the Lake of the Woods Milling Co., but in the common there were no sales recorded. Sales in the preferred were made at 106.

PULP AND PAPER

Market Featureless With Prices Tending to Ease Off Somewhat

By W. A. CRAICK.

From the stock market standpoint the week just closing has been an uninteresting one, so far as the pulp and paper issues are concerned. There has been a little scattered trading, but nothing of any account, and prices have shown a tendency to weaken somewhat. It is evidently one of those inactive intervals which both follow and precede developments of importance in the pulp and paper industry.

The hearing of argument in the newsprint case was concluded on Thursday. There is a possibility that the appeal tribunal may decide to call for additional evidence, but in case this course is not pursued, this stage of the proceedings is over, and it will now be a case of waiting several weeks before the tribunal renders judgment. The latter portion of the hearing was taken up with the question of the differential imposed on Eastern mills to make good the loss sustained by the Fort Frances Pulp & Paper Co. in being required to supply Western Canadian newspapers with paper at a less price than they could obtain by exporting the paper to the United States. The Eastern mills appealed against the Government Order-in-Council imposing the differential on the ground that they did not have an opportunity to furnish paper to the West.

Publishers of magazines, agricultural, trade and class papers had a conference with Sir Thomas White at Ottawa on Wednesday, the paper commissioner, Mr. Pringle, being also present. The publishers asked that the commissioner be required to carry out the provisions of the Order-in-Council, under which he was directed to investigate the cost of production of book paper. Sir Thomas gave the publishers a friendly hearing, and as a result of the interview Mr. Pringle is to re-open the book paper investigation. A hearing will take place just as soon as the necessary arrangements can be made.

Next week's annual meeting of the Canadian Pulp & Paper Association, which takes place at the Ritz-Carlton Hotel, Montreal, on Friday, promises to be of unusual importance, as considerable attention will be given to a review of the industry's affairs during the past year, including the effects had upon it by Government regulation of newsprint paper; and to a discussion as to how the industry can best be made to serve the country during the readjustment period. Special consideration, it is announced, will be given to the industrial side of the question with a view to bettering the conditions of the mill operatives, woodsmen and other employees. It is estimated that the total number of workers now employed in Canada, including woodsmen, is between 35,000 and 40,000. A general scheme for improving the welfare of these employees is among the tentative objects of the meeting. Mr. F. J. Campbell, manager of the Canada Paper Company and president of the association, will preside.

Production by the 38 mills reporting to the Newsprint Service Bureau was slightly larger in December than in October and November, but was less than in the earlier months of the year. The December figure was 140,093 tons, of which 84,048 was provided by United States mills and 56,045 by Canadian mills. Shipments aggregated 139,862 tons, or 211 tons less than the output. The figures for twelve months show a total production of 1,754,077 tons, and shipments of 1,802,232, as against a production of 1,572,045 tons and shipments of 1,591,133 in 1917.

	Bid	Asked	Sale
Laurentide	192¼	195	192¾
Riordon	...	117¼	117¼
Spanish, com.	...	...	17
Wayagamack	50	...	52
Brompton	58½	59	59
N. A. Pulp	...	...	3
Price Bros.	...	166	163
Toronto Paper	65	69	69
Smith, H., com.	...	...	65½
Provincial, com.	...	...	49
Do , pref.	...	...	83
Abitibi	...	50¼	50

BROMPTON

Too much stress should not be laid on the small decrease in earnings of the Brompton Pulp & Paper Co., as shown in the extended report in this issue. The future looks to hold good things in store for the shareholders, including a 6 per cent. dividend, probably in three months, and increased profits through the newly acquired Odell plant. The annual meeting is called for Feb. 4.

LAURENTIDE

That the fights with the newspaper publishers in Canada and the United States have been costly for the newsprint mills in a legal way, as well as in the loss of profits that would otherwise have been theirs if the question of price had been left to an open market to determine, was indicated at the Ottawa appeal hearing this week Reference was made to evidence showing that the Laurentide Company had had to meet as its share, presumably of the issue in the United States, some $30,000. Fortunately for

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'INDUSTRY AND HUMANITY"
By Hon. W. L. Mackenzie King
(*Former Canadian Minister of Labor*)

This is essentially a book for the Reconstruction Period. It presents the result of a life-work of investigation and study by the author. It deals practically with vital questions affecting the interests of workers and of employers alike. It points the way to permanent industrial peace for labor and capital. Principles set forth in this work were adopted at the important Chambers of Commerce Reconstruction Conference held in Atlantic City in December, and attended by representatives from all parts of the United States and Canada. Give this book your attention, and benefit your business. Ask your bookseller to secure a copy for you. It will cost you $3.00.

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...mills who export most of their output to the United States is done with price regulation in newsprint lines, and even if a change should be made at Ottawa, it would cover only a small portion of production.

NORTH AMERICAN

Buchanan, Seagram & Company say: "The North American Pulp & Paper Trust, with its valuable subsidiaries, now owns and controls some 860,000 acres of freehold timber limits and 700,000 acres of leasehold, and, with the near completion of the work of raising the water level of Lac Kenogami, should shortly be in position to operate its mechanical mills to their full capacity throughout the year. We understand that the high cost and restricted coal conditions, together with the unsettled labor question, seriously impaired the company's operations during the last 12 months, but with the return of normal conditions a steadily increasing annual output may reasonably be looked for, which should reflect favorably on the present market value of the company's shares."

INTERNATIONAL PAPER

Notwithstanding the fact that power restrictions have been removed by the Fuel Administration, International Paper Co. does not contemplate resuming the manufacture of paper at its Niagara Falls mill for some time, says the Wall Street Journal. The reason assigned by officials of the company is prohibitive costs of pulp wood delivered at the Falls due to high freight rates combined with the distance of the mill from the source of supply. Wood from which paper is manufactured costs the company in the neighborhood of $25 a cord which compares with an average cost under $20 a cord for some of its other mills.

International Paper Co. was compelled to close down its Niagara Falls mill early last year when the shortage of power became acute at the Falls. Only essential war industries were allotted power and the paper industry was not classed as a war industry. Mill had an annual capacity of 50,000 tons of newsprint. After the shutdown company was able to secure a small amount of power and it has been producing ferro silicon in small quantities.

PUBLIC UTILITIES

Interest Centres in the Beck Project for Construction of Radial Lines

The negotiations to have the Provincial Hydro take over the Hamilton line to Burlington, and Sir Adam Beck's renewal of big talk about his system of Hydro radials, indicate the possibilities of a new phase of public ownership development in Ontario. A note of caution with regard to the whole matter was struck at the Toronto Board of Trade annual meeting by the retiring president, C. A. Bogert, when he suggested that business care should be exercised to make sure that the Hydro undertakings are on a sound basis. He said:

"I agree with the chairman of the Ontario Hydro-Electric Commission, that power resources should be utilized under the most rigid conditions of efficiency and economy, but I would observe that as business men, it would be as well to satisfy ourselves that present conditions under which electric power services are being furnished promise to be the best that technical skill and business acumen can devise.

"We must remember that capital employed in any form of individual or corporate enterprise is not permitted to escape taxation for the public purposes, and while not shirking its duty in this respect, depends absolutely for its conservation upon giving service acceptable and useful to the public and subject to market conditions. Failure to render acceptable service means loss of public patronage and the disappearance of capital and no obligation is left for the taxpayer to assume.

"It is particularly necessary for our business men to study these questions now, for we are informed that in the near future not only will the Hydro-Electric find it necessary to increase its rates, but that they are already seeking financial relief from the Federal Government involving a very large amount."

It may also be pointed out that the Clarkson report covering the projects now in hand has not yet been issued. The need for a broad inquiry by a commission of experts was never in stronger evidence than at this moment.

MACKAY

The Commercial Cable Company and the Commercial Pacific Cable Company have appealed to the United States Supreme Court to enjoin United States Postmaster-General Burleson, from taking over their lines.

BARCELONA

The market for Barcelona has been somewhat weaker this week with the price selling off to 11½. Last week the high was 13 and the low 12¾.

A copyright cable to the New York "Sun" says that the Spanish Government quickly suppressed a revolution in Barcelona by flooding the city with troops.

TORONTO RAILWAY

The market for Toronto Railway has shown further weakness with the price declining to 46, or three points below the lowest up to last issue. Transactions are recorded on the Toronto Exchange only, the minimum price of 60 still being maintained at Montreal.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports gross earnings for the second week in January amounting to $33,270 against $31,045 for the corresponding period in 1918, an increase of $2,224 or 7.2 per cent. For the two first weeks of January the earnings totalled $65,018, a gain of $2,118 or 3.4 per cent.

BRAZILIAN

The November earnings statement of the Brazilian Traction Light and Power Company shows gross amounting to 7,581,000 milreis against 7,695,000 milreis for the same month in 1917, a decrease of 114,000 milreis. It is stated that this decrease in gross earnings arises from the serious influenza epidemic raging in Rio during the month. Operating expenses amounting to 3,858,000 milreis were lower by 345,000 milreis. Net earnings for the month did not show so large an increase as in the two previous months, the earnings being only 3,723,000 milreis against 3,492,000 milreis in 1917, a gain of 231,000 milreis. The aggregate gross earnings for the eleven months ending with November totalled 93,363,000 milreis, an increase of 9,232,000 milreis over the same period in 1917, while the aggregate net earnings amounted to 47,864,000 milreis, an increase of 4,488,000 milreis.

The market has sold off considerably this week with the price showing a decline from around 54 to a low of 51¾. The high point of the recent movement was 55, this price being scored towards the end of last week

LONDON RAILWAY

A report from London states that the Street Railway Company will shortly resume its efforts to secure increased fares. Mayor Somerville, in his inaugural address, recommends action to secure better service, but meanwhile the company is preparing for its annual meeting, and, according to reliable information, it will again pass its dividend. Receipts have increased, but expenditure is disproportionate. The company will tell the City Council, it is reported, that it is prepared and anxious to improve the service, but that it is unable to obtain additional capital for the purpose while the road is held down to an unfairly low rate of fares.

NEW BRUNSWICK POWER

A fair valuation of the New Brunswick Power Company, according to Charles W. Whiting, consulting engineer of Cambridge, Mass., who has made a detailed inspection of the plants and examined the books of the corporation for the city of St. John, is $1,575,859.75. The valuation was made in connection with the commission appointed to pass judgment on the company increasing its rates and fares.

TWIN CITY

Advices from Minneapolis state that the special committee on street railways of Minneapolis City Council has recommended that valuation of the Minneapolis Street Railway properties, placed at $24,346,113 by C. L. Pillsbury, engineer, be accepted. This is the most favorable development for some time in the affairs of Twin City Rapid Transit Co., as it indicates that the Council is making ready to take up the matter of renewal of the company's franchise, which expires in 1923, and on which it was impossible to get action under the former city administration. Valuation made by City Engineer Capalen was $25,914,307, and the company placed the figure at $30,712,000. The committee also is in favor of granting the company 7 per cent. on valuation, agreed upon in the event that a division of earnings with the city becomes a part of the franchise as eventually granted.

Twin City Rapid Transit Company has made many important operating changes in the interest of economies in the past six months, and, while there has been complaint, public sentiment cannot be said to be antagonistic, aside from an element that is extremely radical in politics and opposed to all corporations. The company's frank statements of its position and President Horace Lowry's frequent appearances before the City Councils of Minneapolis and St. Paul has made the public feel that the company wants to be fair and its really finding it hard to make ends meet on the present basis of fares.

A few shares of Twin City have changed hands during the week at 41-40, indicating practically no change in the general position.

WINNIPEG ELECTRIC

Further transactions in Winnipeg Railway have taken place this week at the low point of 35. There is yet no indication of the local situation as between the company and the city being satisfactorily cleared up.

Stock Movements of the Week

Week ending Jan. 23, 1919:

	Ask	Bid	High	Low	Close	Sales	Yield to Jan. 16	Minimum Prices
Banks—								
Commerce	210	...	214	211	211	26	4.65	185
Dominion	220	...	219	217	219	163	5.55	202
Hamilton	205	202	209	203	203	51	5.74	184
Imperial	...	207	210	210	210	42	5.91	185
Merchants	190½	188½	190	190	190	210	5.26	167
Molsons	200	196	200	200	200	17	6.14	179⅞
Montreal	216½	215½	216½	216¼	216¼	199	4.62	210
Nova Scotia	...	260	258	257	258	126	5.46	248
Ottawa	...	206	206	206	206	63	5.85	201
Royal	213	...	213	212	213	137	5.58	208
Standard	214½	...	215	214⅞	214⅞	41	6.04	200
Toronto	205	202	202	200¾	202	56	5.50	187
Union	163	...	160½	160½	160½	9	5.42	136
Transportation—								
Barcelona	11⅞	11¾	12¼	11½	11½	647	....	...
Brazilian	52	51⅝	54¼	51¾	52	674	....	32
Can. Stshps. com.	45½	44½	45¼	44	45	554	....	39¼
Do., pref.	79¼	79	79¼	78¾	79	894	8.86	76
Quebec Railway	19½	17	19	18	19	133	....	15
Toronto Rly.	47	45	48	46	46	130	8.16	60
Twin City	41	39	41	40	40	70	10.00	...
Winnipeg Electric	...	35½	35	35	35	65	....	48
Telegraph, Light and Power—								
Bell Telephone	130	...	130	130	130	2	6.15	130
Consumers Gas	...	150	150½	150½	150½	10	6.66	...
Mackay, com.	72	71½	74	71½	71½	143	8.15	...
Do., pref.	65	...	65	65	65	5	6.15	...
Mont. L.,H.&Pr. Cons.	86	85⅞	86¼	85½	85½	686	4.62	68½
Ottawa L., H. & Pr.	...	...	75	75	75	25	7.31	69
Shawinigan	115¾	115⅝	116½	115	115½	607	6.03	107
Industrials—								
Abitibi P. & P., com.	50¼	...	50	49½	50	50	15.55	48
Ames-Holden, com.	29	28	29	28½	29	1,993	....	15
Do., pref.	76¼	71	76¼	74	75	1,491	9.72	47
Brompton Pulp, com.	59	58½	60¾	58½	59	333	8.19	39
F. N. Burt, com.	76	75	75	75	75	50	8.45	...
Do., pref.	92	90	92	90	90	111	7.77	...
Canada Bread, com.	23⅛	22½	23	23	23	170	....	...
Do., pref.	...	84	85	84	84	179	8.43	...
Canada Cement, com.	64¾	64	66½	64½	64¾	1,012	9.09	57
Do., pref.	...	94	96½	96¼	96½	107	7.29	90
Can. Converters	47	46½	46	45¾	46	64	10.86	43
Can. Cottons, pref.	76	...	76	76	76	30	7.89	76
Can. Car & Fdry., com.	28	25	30	29	30	375	....	18½
Do., pref.	83½	...	85	82	82	240	8.33	49½
Can. Loco., com.	63	61½	63½	62½	62½	7	9.45	58
Do., pref.	90½	...	90	90	90	10	7.77	84½
Can. Gen. Elec., com.	103¼	101½	104	102½	102½	108	7.69	101½
Dominion Bridge	...	...	123	123	123	1	6.50	123
Dom. Canners, com.	...	36½	37¼	36	37	100	....	23¾
Do., pref.	82	81½	82	78½	82	165	9.21	...
Dom. Stl. Corp., com.	60	59	62⅛	60	60	1.525	9.67	52
Dom. Ir. & Stl., pref.	...	94½	94	94	94	1	7 44	88
Dom. Tex., com.	101¾	101½	102	101½	101½	246	7.84	80¾
Do., pref.	...	101	101	101	101	22	6.93	100
L. of Woods Mill., pref	...	...	106	106	106	33	6.57	...
Laurentide	195	192¼	196	192½	192¾	761	6.15	152
A. Macdonald, com.	...	...	23	22	23	110	....	13½
Maple Lf. Mill'g., com.	128	...	134½	127¾	127¾	600	7.43	88½
Do., pref.	98	96	98¼	98	98¼	60	7.14	...
Montreal Cottons, com.	61	60	61	60	61	151	6.78	50
Do., pref.	...	100	100	100	100	225	7.00	99½
Mon. Knit., pref.	...	78	80	80	80	3	8.75	...
Nat. Stl. Car, com.	6	5	5¾	5⅛	5½	190	....	...
Do., pref.	27	26	27	25	27	615	....	...
Ogilvie Flour, com.	...	...	220	220	220	5	7.61	140
Penmans, com.	...	78½	78½	78	78½	20	7.50	65
Do., pref.	...	84	85	85	85	56	7.05	81⅞
Price Bros.	166	...	163	162	163	38	5.16	120
Riordon P. & P., com.	117¼	...	117¼	117¼	117¼	70	8.54	117¼
Russell Motor, pref.	75	73	75	75	75	5	10.00	...
Sher.-Williams, pref.	...	...	99	99	99	25	7.07	99
Spn. R. P. & Pr., com.	17½	17	17	17	17	75	....	13
Do., pref.	...	...	64½	63½	63¾	131	....	50
Stl. Co. of Can., com.	60	59½	63	59¼	59¾	1,666	9.52	49½
Do., pref.	...	93	93¾	93½	93½	31	7.48	84¼
Tuckett Tobacco, com.	24½	23¼	24½	22	24	66	....	18½
Do., pref.	...	...	80	80	80	10	8.75	80
Wabasso Cotton	...	...	59	59	59	45	10.00	...
Wayagamack, com.	...	50	52	51	62	120	....	50

MINING STOCKS

Market Holds Up Well in Face of Weakness and Uncertainty in New York

By W. A. CRAICK.

The mining market this week has been somewhat irregular. Apart from special movements, such as those in Adanac, Crown Reserve and Lake Shore, the general tendency has been for prices to ease off under the process of profit-taking. The market is undoubtedly being influenced by the weakness and uncertainty in New York, and the fact that values are holding as well as they are is a favorable omen. There is a good deal of optimism behind the market. It is known that labor conditions are much better and that more efficient work is being done. It is also undeniable that the prices of many articles required in the mining camps are declining. Altogether the outlook is good and the present slight reaction is quite to be expected, as quotations steadily advance.

Shipments from the Cobalt camp last week were comparatively light. four companies despatching four cars, containing 333,861 pounds. The four were Buffalo, 110,000 pounds; Dominion Reduction, 83,800 pounds; O'Brien, 74,590 pounds, and McKinley-Darragh, 65,471 pounds. 48,000 ounces of silver bullion were shipped by the Dominion Reduction and the O'Brien.

	Last Jan. 16	Sales Jan. 23	Ch'ge
Adanac	.12	.16	+.04
Beaver	.41	.43	+.02
Dome	12.35	12.15	—.20
Dome Ext.	.24	.24	...
Hollinger	6.25	6.25	...
McIntyre	1.83	1.79	—.04
Mining Corp.	2.35	2.25	—.10
Newray	.16	.16	...
Nipissing	8.50	8.70	+.20
Temiskaming	.33	.32	—.01
Vipond	.23½	.23½	...
West Dome	.15½	.15	—.00½
Smelters	.26⅞	.25	—.01⅞

CROWN RESERVE

Ore production for the year at the Crown Reserve was valued at $198,011, according to the financial statement presented at this week's annual meeting in Montreal. After meeting mining and other charges, the net profit was only $6,755, to which was added $3,361 income from investments. This with the $793,130 carried forward from 1917 gave a total of $803,247, from which was charged off $18,320 for head office and other administration expenses, and $237,219 for depreciation, exploration, etc.; referred to as a write-off. The total surplus at the end of the year was, therefore, $547,706.

The new development work on the eastern portion of Crown Reserve property was described as most encouraging and dependent on results, the payment of dividends should be resumed at the earliest possible moment.

Crown Reserve shares reacted this week from the high point reached last week, dropping on Tuesday as low as 40, but recovering by Thursday to 48.

HOLLINGER

The *Curb News*, of New York, is predicting that the year 1919 will be the best year so far in the history of Hollinger mines. "It appears quite reasonable to expect that the twelvemonth period just begun will see recorded a production from the Hollinger's $40,000,000 of high-grade gold ore reserves equal to the entire gold output from the province of Ontario during 1918," declares this authority. "Therefore, dividends at the rate of one per cent. four-weekly or thirteen per cent. annually and extras from time to time may reasonably be expected."

On the other hand, directors who attended a meeting of the board last week at Timmins state that the labor scarcity continues to hamper operations and that the company could very well do with 50 per cent. more men. As to costs of operation, these have not been reduced to any appreciable extent. Wages have not been cut and there have been only a few changes in supplies.

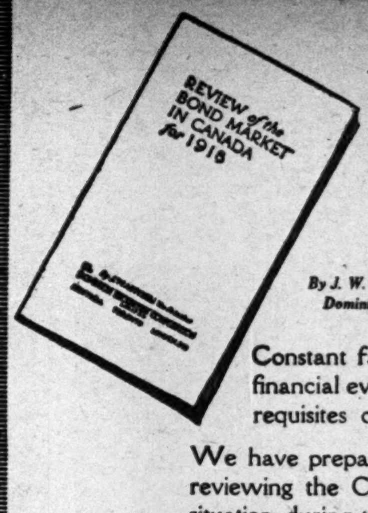
The annual meeting of Hollinger takes place in Montreal about the middle of February and the appearance of the annual report is being awaited with much interest.

Hollinger shares have sold unchanged at 6.25 throughout the week.

KERR LAKE

On the basis of its monthly reports of production during 1918, Kerr Lake produced last year 2,463,314 ounces of

Continued on page 6



"Review of the Bond Market in Canada for 1918"

By J. W. MITCHELL, Vice-President, Dominion Securities Corporation, Limited.

Constant familiarity with current financial events is one of the prerequisites of successful investing.

We have prepared a pamphlet briefly reviewing the Canadian Financial situation during the year 1918. Final figures for the Victory Loan and comparative statistics of Canadian bond sales, 1910-18, are included. We shall be glad to furnish a copy on request.

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EXCELSIOR INSURANCE LIFE COMPANY

STRONG FINANCIAL POSITION MAINTAINED

Summary of Transactions of 1918

Applications for New Assurances..$ 6,734,002.00
Total Income ....$ 1,207,316.18
Insurance in Force $26,842,967.30

Assets available for Security of Policyholders ....$ 5,216,811.21

One hundred and thirty-one dollars of Assets for every one hundred dollars of Liability.

Average Rate of Interest, earned................ 6.72%

Copy of full Annual Report mailed upon request.

HEAD OFFICE:
EXCELSIOR LIFE BUILDING, TORONTO

These Questions Affect *YOU* Can You Answer Them?

1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

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Compartment Observation Cars, Standard and Tourist Sleeping Cars, Dining Car, First-Class Coaches, C... Cars, Toronto to Vancouver.

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Passengers for California should arrrange their trip to include the Canadian Pacific

Particulars from Canadian Pacific Ticket Agents. W. B. HOWARD, District Passenger ...

...OF SECURITIES

Continued from page 4.

silver. In 1917, production amounted to 2,599,345 ounces, and in 1916 to 2,535,724 ounces. However, the slightly lessened production has been offset by the higher price of silver, which advanced from 66 cents in 1916 to 82 cents in 1917, and to 97 cents in 1918. Thus it will be seen that the gross value of its product increased from $1,673,579 in 1916 to $2,131,462 in 1917 and to $2,367,615 in 1918. During this period of rapidly expanding profits (Kerr Lake's costs were lower in 1918 than in 1917) only the regular dividends of $1 per share annually were paid which has resulted in the accumulation of a surplus estimated at $3,168,067, or about $5.28 per share.

LAKE SHORE

The Lake Shore Mines reported net profits of $144,978 for the year ended November 30, 1918. The sum of $100,000 was paid in dividends, leaving a surplus profit of $44,978. President Harry Oakes in his report stated that the building program was nearing completion. Ore lenses have been found consistent in size and in values as far as progress had been made. Mine Manager Coffey reported the reduction of 14,948 tons of ore since March 8, when operations began, the recovery per ton being $24.76 on the average.

The profit and loss account shows income amounting to $374,073, including $321,645 for bullion shipped, and $52,154, bullion products on hand. Operating expenses are given as $158,176; for depreciation there is set aside $22,285, and $5,000 is charged up as directors' fees. It is explained, however, that one-fourth of the above-mentioned expenses have been charged to development, as approximately the first three months of the year was spent in development work only, the mill not having begun operations until March, 1918. The expense account is, therefore, reduced to $139,095, thus leaving a profit, after setting aside $90,000, provision for exhaustion, of $144,978.

In the balance sheet some of the main items are: Cash, $49,417; bullion products on hand, $52,154; Victory bonds, $50,000, and supplies on hand, $33,634, making up, with some lesser items, a total of $186,996 in current assets. Building and structural work are valued at $76,000, and equipment at $106,848, less $22,285 allowed for depreciation, leaving $160,563. The property is given a book value of $1,001,504, to which is added $201,127 expended on development, etc., and, after providing $90,000 for exhaustion, the net value is set forth as $1,112,631. Total current liabilities amount to $84,841.

OPHIR

Confirmation has been given to a recent rumor that the Nipissing Mines had taken an option on the Ophir, subject to ratification by the shareholders of the latter. It is understood that the terms are similar to those under the option given to the Mining Corporation some months ago. This means that the Nipissing will have an option on an undivided two-thirds interest in the Ophir property for $150,000, the Nipissing agreeing to spend not less than $2,500 per month on development work, and to apply any values recovered from the property on account of the purchase price until paid in full. The first payment under the option will be due in six months from the date of the agreement.

There has been heavy trading in Ophir since the option announcement, the stock advancing from a low of 4 last week to a high of 6⅝ this week.

TECK-HUGHES

The fifth annual report of Teck-Hughes Gold Mines, Limited, indicates that the past year has been one of great difficulty, when profitable operation was rendered impossible. Consequently, operations ceased in July. The balance sheet shows total assets, including cash on hand and in bank, stores and bullion on hand, buildings, plant and equipment, Orr Gold Mines stock, mining properties, etc., at $2,229,126. According to the report on development, the mill treated 15,879 tons of ore, at an average value of $7.87 per ton, during the period from August 31 to July 2, 1918. It is stated to be the the intention of the company to resume work just as soon as an efficient crew of workmen can be obtained.

Teck-Hughes shares have ranged this week between 28½ to 29½.

TRANSPORTATION

Interest Centres in the American Situation Which has a Bearing on Canadian Conditions

So far as the Canadian railway situation is concerned interest largely centres in American conditions at the present time. The future of the American roads is very unsettled, but whatever solution is arrived at it is likely to have a bearing upon conditions on this side of the line, particularly as such practical factors as wages and rates may be involved.

The necessity of attracting capital to ensure the development of the big transportation systems was argued before the Senate Committee on Interstate Commerce at Washington by A. P. Thom, counsel for the railway executives. Capital, he declared, was not waiting to attach itself to the railroads if they were to be curbed and regulated.

In 1910, the year in which Congress had given the Commerce Commission power to suspend rates, net operating expenses had been $826,466,756. In 1911 this had fallen to $768,213,345, but the property investment account had increased from $14,557,816,000 to $15,612,378,000. In 1912 net income had fallen to $751,266,000, with investment of $16,004,744,000. In 1913 operating income rose to $831,343,000, but in 1914 it had fallen to $705,883,000 and in 1915 it was only $728,212,000, or $98,000,000 less than in 1910, whereas in the same time the investment had increased to $17,437,666,000, or nearly $3,000,000,000 more than in 1910. In 1916 the operating income had increased to $1,043,839,000 and property investment to $17,684,736,000. These figures were for years ending June 30. In no year after 1910 had the return on property investment equalled the 5.36% which the Commerce Commisison in the first eastern rate case had found "insufficient in the public interest."

CANADIAN NATIONAL

As all Government railways are now operated under the Canadian National Railways system the Canadian Northern earnings will hereafter be included in the Canadian National Railways figures.

For the second week of January gross earnings amounted to $1,420,433 against $1,055,607 for the corresponding period in 1918, an increase of $364,826 or 34.7 per cent. Following are comparative figures for the first two weeks of the month:

	1919	1918	Change	%
Jan. 7..	$1,294,039	$ 900,157	+$393,882	43.7
Jan. 14...	1,420,433	1,055,607	+ 36,4826	34.7

GRAND TRUNK

For the second week in January gross earnings of the Grand Trunk Railway totalled $1,029,578 compared with $654,794 for the corresponding period in 1918, a gain of $374,784 or 57.3 per cent. Comparative figures for the first two weeks follow:

	1919	1918	Change	%
Jan. 7..	$1,003,631	$ 773,848	+$229,783	29.7
Jan. 14..	1,029,578	654,794	+ 374,784	57.3

Gross earnings for the month of November amounted to £1,267,650, an increase of £439,300 over the figures for the same month in 1917, while net earnings for the month at £185,150 showed an increase of £65,400. For the eleven months ending with November the gross totalled £11,690,650, an increase of £2,140,050, and net at £1,402,800, showed a gain of £589,250

The Grand Trunk Pacific Railway traffic earnings for the third week in December amounted to £33,566, an increase over the corresponding period in 1917, of £10,248.

CANADIAN PACIFIC

The Canadian Pacific Railway gross earnings for the week ending January 14th totalled $2,891,000 as compared with $2,368,000 for the corresponding period in 1918, an increase of $523,000 or 22.1 per cent. For the first two weeks of the month comparative figures follow:

	1919	1918	Change	%
Jan. 7..	$2,856,000	$2,343,000	+$513,000	21.9
Jan. 14..	2,891,000	2,368,000	+ 523,000	22.1

Late quotations of 157 in New York indicate a decline of about three points in the price of Canadian Pacific since last report.

OTHER STOCKS

AMES, HOLDEN, McCREADY

The persistent rumors of "good things" for Ames, Holden, McCready in addition to the excellent record it is making this year itself, drove the stock up to 76¼ this week, and a bullish feeling, much like that in summer that carried it from 60 to 72½, was in evidence. The common rose to 29 on the same move. What this new plan is no one seems willing to tell; at all events word has gone forth that it will not "happen" until about the time of the annual meeting in May.

ATLANTIC SUGAR

The first week that Atlantic Sugar Refineries experienced on the Erchange saw a fair amount of buying. The common rose half a point, from 24½ to 25, and the preferred was stronger than when unlisted, rising to 69⅞ bid, with a sale at 70.

BELL TELEPHONE

The outlook for the Bell Telephone Company being granted permission to make a reasonable advance in its charges has improved on the report of the expert for the City of Montreal, recommending that increases be allowed to permit the company to increase its income to the extent of $1,000,000 a year; the company's request was for increases involving $1,400,000. Toronto will fight against any increase being allowed

The market for the company's stock continues steady at 130.

BRANDRAM-HENDERSON

The annual meeting of Brandram-Henderson, Limited, which is usually held the middle of the coming month, will be somewhat later than ordinarily, owing to the fact that the company's fiscal year now closes on December 31, rather than on November 30, as heretofore. The precise date, however, has not been fixed as yet. The report to be presented is expected to show a considerable improvement over previous years.

CANADA BREAD

Since the removal of the order requiring the use of substitute flours the business of the Canada Bread Company has shown a very marked improvement, according to the statement of Mark Bredin. Especially has this been the case with the cake department of the industry which has shown a marvellous improvement. The removal of the restrictions on the wrapping of bread, the use of sugar and lard, and baking on the bottom of the oven will, Mr. Breden is confident, mean a still greater improvement in the business. The company will begin wrapping its bread again immediately.

CANADA CEMENT

Canada Cement common has continued to attract a share of attention on the narrow market prevailing with sales at 64½ to 66½. These prices do not indicate any material change in the general position. The preferred has sold at 96½-¼, or fractionally better than indicated last week.

DOMINION CANNERS

There have been some reports of recent date of large holdings of canned goods in Canada. These reports are evidently based on figures of production and local sale and have omitted the factor that has been very large of late, export demand. During the past three or four months there have been exports totalling an actual movement of 500,000 cases. This is business that has evidently been done at a profit, and the end is not yet. If this business continues as there is every possibility that it may, instead of the surplus stocks that have been talked about there may be a growing decline. At the present

Continued on page 8

Under the Authority of the Imperial Munitions Board We Offer

FOR SALE PROPERTY OF BRITISH MUNITIONS CO.

At King's Park—Verdun—Montreal

Land—1,103,200 square feet, immediately adjoining boundary line between Montreal and Verdun, one block from Wellington Street, a few hundred feet from main line of Grand Trunk Railway. There is a railway siding on the property, with spur, leading to two substantial loading platforms at the buildings.

Buildings—The buildings are grouped near the centre of the site. The administration buildings, standing separate from the factory, include spacious general offices and fireproof vault, lunch room and kitchen, Red Cross Department and garage to accommodate five cars.

The factory proper is of one-storey brick and steel construction on concrete foundations carried down to solid ground. The roof is saw tooth type, planned to give north lighting. The floor area of the factory is 280,000 square feet.

The buildings are equipped with gas, electric light, hot and cold water throughout, separate drinking fountain system, dining halls, ample lavatory accommodation for men and women, some shower baths, steam heating, compressed air throughout the factory, fire sprinkler system, fire hose equipment, six hydrants on the property, steam fire pump controlling reserve emergency underground water supply of 160,000 gallons connected with city mains, and interphone system of 24 stations.

The buildings are new, of first-class modern construction and are suitable for any ordinary manufacturing concern. The location is very convenient to the centre of the city, is served by good roads and is in the centre of a good labor market. There is ample land to permit of expansion.

Full particulars will be furnished to those interested. Inspection of property can be arranged by permit only.

Attractive Price. Very Convenient Terms.

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C. A. HAYES, Vice-President.

H. H. MELANSON, Passenger Traffic Manager.

GEO. STEPHEN, Freight Traffic Manager.

Head Office, Toronto, Ont.

DIVIDEND NOTICES

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. upon the paid up Capital Stock of this Institution has been declared for the current quarter payable on and after Saturday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st January, 1919.

The Merchants Bank of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of Two and Three-quarters per cent. for the current quarter, being at the rate of Eleven per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of February next, to Shareholders of record at the close of business on the 15th day of January.

By order of the Board,

D. C. MACAROW,
General Manager.

Montreal, 27th December, 1918.

The Canadian Bank of Commerce

DIVIDEND No. 128

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st March, 1919, to shareholders of record at the close of business on the 13th day of February, 1919.

By order of the Board,

JOHN AIRD,
General Manager.

Toronto, 17th January, 1919.

BANK OF HAMILTON

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of Three per cent. (Twelve per cent. per annum) on the paid-up capital of the Bank, for the quarter ending 28th February, has this day been declared, and that the same will be payable at the Bank and its branches on 1st March next.

The Transfer Books will be closed from the 21st to 28th February, both days inclusive.

By order of the Board,

J. P. BELL,
General Manager.

Hamilton, 20th January, 1919.

Montreal Light, Heat & Power Consolidated

10th DIVIDEND

NOTICE is hereby given that a Dividend of One per cent. on the Paid-up Capital Stock of the Company (being at the rate of Four per cent. per annum) for Quarter ending January 31st, 1919, has this day been declared:

1st—To shareholders of record January 31st, 1919, on the Montreal and London, England, Registers.

2nd—To holders of share-warrants in redemption of coupon serial No. 10.

Dividend cheques will be mailed to registered shareholders February 15th, 1919; share-warrant coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 Rue Barbet de Jouy, Paris, France.

By order of the Board,

C. S. BAGG,
Secretary-Treasurer.

Montreal, January 20th, 1919.

DIVIDEND NOTICE

CANADA CEMENT COMPANY LIMITED

PREFERENCE SHAREHOLDERS

DIVIDEND NO. 36

NOTICE is hereby given that a Dividend of 1¾% for the three months ending December 31st, 1918, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of February next, to Preference Shareholders of record at the close of business, January 31st, 1919.

H. L. DOBLE,
Secretary.

Montreal, January 16th, 1919.

Dominion Bridge Co Limited

DIVIDEND NOTICE

A QUARTERLY Dividend of Two per cent. (being at the rate of eight per cent. per annum), has been declared, payable February 15th, 1919, to Shareholders of record at the close of business on January 31st, 1919.

By order of the Board,

R. MONTAGUE DAVY,
Secretary.

Montreal, January 15th, 1919.

Notice to Bondholders

Winnipeg Electric Street Railway Company

THE Royal Trust Company is prepared to receive at its Montreal Office, up to the 31st January, 1919, offers of 5% First Mortgage Bonds of the Winnipeg Electric Street Railway Company due the 1st day of January, 1927, said Bonds to be purchased by means of a sum of Ten Thousand and Forty-one Dollars and Twenty-three Cents ($10,041.23), which the Trustee holds for the purpose of redeeming Bonds under the Sinking Fund in accordance with the terms of the Trust Deed executed by the Winnipeg Electric Railway Company in favour of The Royal Trust Company, Trustee, on the 2nd day of January, 1905. The right is reserved to reject all or any offers.

THE ROYAL TRUST COMPANY,
105 St. James Street.

Montreal, 18th January, 1919.

Call for Tenders

SEALED tenders are called for by the Town of Hawkesbury for the sale of $109,000.00, 6%, 30 years Municipal Debentures .

These debentures are issued under authority of By-Law Number 278, authorizing the construction of certain water main extensions, together with the installation of a Filtration Plant, to the amount of $77,000.00, yearly payment of $5,593.96, for 30 years, to meet principal and interest, having coupons attached thereto for the payment of interest semi-annually.

AND By-Law Number 279 authorizing the construction of certain sewer extensions to the amount of $32,000.00, yearly payment of $2,324.76, for 30 years, to meet principal and interest, having coupons attached for the payment of interest semi-annually.

The plans and specifications of the said water main extensions and filtration plant and sewer extensions have been submitted to, and have been approved of by the Provincial Board of Health, pursuant to section 95 of the said Public Health Act, which said approval has been certified under the hand and seal of the Chairman and Secretary of the said Board under date the 22nd day of November, 1918.

All tenders are to be sealed, and in the hands of the Municipal Clerk, Friday, February 7th, 1919, to be opened on the above date at 8 o'clock P.M., at open Council.

For further particulars see Town Clerk, Hawkesbury, Ont.

EUG. PAQUETTE,
Clerk and Treasurer.

NOTICE is hereby given that the Third Annual Ordinary General Meeting of the

International Petroleum Company, Limited,

will be HELD on SATURDAY, the eighth day of February, 1919, at 10 a.m., at the Offices of the Company, 56 Church Street, in the City of Toronto, Canada, for the purpose of transacting the ordinary business of the Company.

Holders of Bearer Share Warrants desirous of attending the Meeting or of being represented thereat by proxy, must deposit their Warrants at the head office of the Company, 56 Church Street, Toronto, at least three days before the date appointed for the Meeting in exchange for which they will receive a certificate entitling them to attend and vote either in person or by proxy.

The Bearer Warrants must remain deposited with the Company until after the General Meeting or an adjournment thereof shall have been held, and upon delivering up the said certificates to the Company the Share Warrants in respect thereof shall be returned to the parties surrendering the certificate.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street,
Toronto, Canada.
23rd January, 1919.

Route Your Shipments CANADIAN NATIONAL

BROMPTON SHOWS SLIGHT DROP AT 9.1 P.C. ON COMMON

Earnings of $1,051,274, as Compared With $1,073,-562 in 1917

$1,000,000 BONDS

New Issue to Cover Purchase of Odell Plant—Working Capital Less — Better Outlook For 1919

The earnings of the Brompton Pulp & Paper Company for the year ending October 31, 1918, as made public this week, may be a little disappointin[illegible] to the shareholders in falling sli[illegible] behind the figures for the pr[illegible] year, $1,051,274 for 1918 as co[illegible] $1,073,562, a decrease of [illegible] [illegible]ducting depreciation, [illegible] and preferred dividend payments, there remained available for common dividends the sum of $637,274 which compares with $669,-825 one year ago. This works out at 9.1% on the common stock of $7,-000,000, as against 9.6% in 1917. The difference in the two years was more than covered by the decrease during the first six months of the last fiscal year, owing to the poor transportation conditions that ruled during the whole of last winter. The latter half of the year ran ahead, and the management look forward to a much better year in 1919.

Odell Plant Should Help

One of the elements in this will be the acquisition of the Odell Manufacturing Company, which has been the largest and oldest customer of the company, and will take all its wood pulp. An announcement was made in connection with the report that at the annual meeting of the shareholders of the company, which has been called for Feb. 4, they would be asked to authorize an issue of $1,000,000 20-year 6% general mortgage bonds to cover the purchase of the Odell Company. While this will mean an extra charge of $60,000 a year in interest, and a 3% cumulative sinking fund, commencing March 1, 1921, it must also be noted that the estimated profits from this new concern will run several times the amount of the interest on the bonds each year, and it is expected that this will thus mean a good increase in the total net profits shown by the company for the year it has entered upon. The operations of the three other mills, under the name of the "Claremont Manufacturing Company," are also expected this next year to increase the business of the company and its net profits. These facts will thus offset to some extent the somewhat lower showing than was looked for generally this past year.

The profit and loss account shows a slightly larger amount allowed for depreciation. The balance for the year is $287,274 as compared with $319,826 one year ago. The surplus on hand at the end of the year amounted to $607,100 compared with the amount mentioned above as the balance for last year, as this year completes the second full year of the present organization. The figures for the first and second years compare as follows:

Profits and Loss Account

	1918	1917
Earnings	$1,051,274	$1,073,562
Less—		
Depreciation	$ 186,880	$ 176,670
Interest	87,120	87,066
Pref. Div.	140,000	140,000
Avail. for Com.	$ 637,274	$ 669,826
Less com. div.	350,000	350,000
Bal. for year	$ 287,274	$ 319,826
Prev. bal.	319,826	......
Carried forward	$ 607,100	$ 319,826

With the company engaged in acquiring new properties it is not surprising that the working capital element falls behind that of one year ago. The liquid assets are much higher, $3,093,466 compared with $2,-208,933, inventories increasing $900,-000, but there has been an even greater increase in the current liabilities, and an item of bank indebtedness of $500,000 has no parallel in the statement for 1917. In addition accounts payable are up nearly $200,000, and pay roll, etc., about $90,000, the totals comparing as $1,279,673 to $2,208,933. This leaves a net balance of working capital of $1,313,793 against $1,719,-755 one year ago, a decrease of over $400,000. The comparative figures are as follows:

Working Capital

Liquid Assets	1918	1917
Inventories	$2,172,472	$1,289,293
Acct. rec.	718,554	556,169
Cash	202,440	363,471
	$3,093,466	$2,208,933
Current Liabilities		
Acct. pay.	$ 328,766	$ 133,415
Ban loan	500,000	......
Pal roll, etc.	328,407	233,263
Div. pay.	122,500	122,500
	$1,279,673	$ 489,178
Bal. work. cap.	$1,313,793	$1,719,755
Decrease for 1918		$ 405,962

Coming to the balance sheet the plant is taken in at $8,662,097 as against $8,896,544 the year before; investments have grown from $149,-277 to $479,925, part of which represents the interest in the new properties, and as such are not included in the list of current assets as would be the case if they stood only for investments in the form of immediately available securities by an even $90,-000, and stands at $1,452,000, which, however, will be raised to one million dollars more by the new issue. Altogether the combined assets amount to $12,338,773 compared with $11,-333,004 one year before.

In a review of the statement the president, F. N. McCrea, M.P., says that the company in common with others "has been confronted with serious manufacturing difficulties and under these condition the above statement may be considered quite satisfactory. The return to more settled conditions," he adds, "should reflect itself in future earnings."

THE EMBARGO ON PORK PRODUCTS AFFECTS MARKET

Continued from page 1

a market for the heavy hog production of the States, has been more forehanded than the Canadian Government. But it is also to be remembered that the business that Mr. Hoover has obtained is a business for which the character of the American product is peculiarly fitted. American hogs are of heavier grade than Canadian, and produce a fatter, heavier bacon, that is more highly cured. This is in line with the actual demands of the general European market. That some of this business might have been obtained for Canadian packers despite this difficulty, is fairly certain had there been anyone to energetically present the case of the Canadian industry. The only difficulty in the way would have been the matter of financing such shipments. The United States has always had the marked advantage of the ability to readily find the necessary financial backing to carry this business. There is little doubt, however, that such assistance could have been obtained.

The contention of some Canadian newspapers that no such assistance should be given to the industry, is rather difficult to follow. There is perhaps no reason to be particularly sympathetic over any possible losses on the part of the packers on their stocks. Those are the fortunes of business that have probably been discounted in the past profits of the industry. Unfortunately, however, it is not possible to strike at this industry in this way without seriously affecting many other interests. This is not a matter of price decline, but a matter of circumscribing a market. Less than a quarter of the pork products handled by Canadian packing houses has been for domestic consumption. A two weeks' run of one of the large plants would supply their possible trade for two months. Moreover, the industry has been built up with the export trade in mind. It has been the big element in the packing industry. The plants have no storage facilities for large supplies, and moreover, bacon, though few people realized it, is a perishable product. It cannot be stored for any protracted period without deteriorating.

Effect on Hog Market

The conclusions from these facts are plain. Unless this embargo is removed, the packers must for a time at least be contented with one-quarter or less, of their usual business. They will probably not shut down, but they will certainly limit their production to the known needs of the domestic market, and to meet this need, there are already appreciable stocks on hand.

The packers must perforce cease to be the large element in the live hog business, and if the producer insists on shipping his hogs on an uncertain market, he must expect to face a less eager demand. Just how serious a blow this will be to the campaign for heavier hog production it is hard to say. If the producer insists on fighting the market he may induce a serious situation that will do incalculable harm. If he is content to await the turn of events conditions may remedy themselves without serious difficulties.

The contention that Canadian hogs could find a market across the line where a minimum of $17.50 has been set is hardly well founded. That figure only obtains till the end of January, and revisions will be made at a meeting to be held in Chicago early next week. If there is any disposition on the part of Canadian producers to dump on the American market, there will undoubtedly be restrictions imposed, as Mr. Hoover certainly has his hands full in looking after the American production. Moreover, the Canadian producer has been used to a premium over American prices, and will find it hard to see things differently now.

OVER $350,000,000 PUT INTO ELECTRIC POWER PROJECTS

About 80 Per Cent. of This Total Represents Private Capital

A GREAT INDUSTRY

Report of the Department of Statistics Gives Impressive Figures Regarding Power Developments in Canada

OTTAWA.—That there is a capital of $356,000,000 invested in central power development stations in Canada is indicated by the census which has just been completed by the Dominion Bureau of Statistics and the Dominion Water Power Branch of the Department of the Interior. The statistics include only central electrical stations, that is, stations engaged in the sale of electrical energy; all other electrical establishments, such as electric railways, electro-chemical and other electrically operated industries, are excluded.

A significant point is that of this great total of capital nearly eighty per cent. is invested in privately-owned developments. The importance in the first place of encouraging the investment of capital in the development of an industry which means so much to the country and in the second place of safeguarding investments after they are made must be impresed upon the Government by these figures. Such tactics as have been pursued in the Province of Ontario will not only have the effect of destroying the confidence of those who have already placed their funds in private enterprises but will make them wary of other propositions or for such development whether backed by the Government or not. Outstanding features of the report follow:

The capital invested in central power stations totals $356,004,168, of which 79.5% is invested in commercial stations and 20.5% in municipal or publicly-owned stations. These figures indicate that the capital cost of central electrical station systems in Canada per primary horse power installed is $193, averaging $196 per horse power for commercial stations and $183 per horse power for municipal or publicly owned stations. This cost includes all capital invested in construction and equipment of hydraulic works, power stations, transmission and distribution systems; real estate, cash on hand, current assets, supplies, and all other items.

The total employees connected with the industry, including officials and wage earners, number 8,847, of which 58% are connected with commercial and 42% with municipal stations. The salaries and wages paid to these employees total $7,777,715 per annum.

Revenue

The total revenue received from the sale of electrical energy is $44,536,848, of which $29,135,399 was secured by commercial and $15,401,449 by municipal plants.

The primary power installation in central stations totals 1,844,571 h.p., of which 78.3% or 1,444,314 h.p. is installed in commercial stations and 21.7% or 400,257 h.p. in municipal stations. Of the total primary horse power installed 1,652,661 h.p. is derived from water, 180,800 from steam, and 11,710 from gas and oil.

The total primary power installed in central electric stations throughout the Dominion averages 221 h.p. per thousand population. Yukon averages the highest with 1,206 h.p. per thousand population, British Columbia coming next with 378 per thousand population, Ontario with 286 per thousand population, Quebec 271 per thousand population, Manitoba 118 per thousand population, New Brunswick 49 per thousand population, Saskatchewan 47 per thousand population, Nova Scotia 34 per thousand population, and Prince Edward Island 12 per thousand population. Population by provinces is the only feasible basis available for making a per capita analysis of the central station industry. The occupation of the population, and its varied density in different localities, have a direct bearing on the market for electrical power, and consideration of these phases will assist in explaining the above variations in the per capita development.

Cost of Construction

Of special interest is the actual cost of construction of hydro-electric power stations per installed horse power. Omitting all real estate, transmission and distribution equipment, seventy representative hydro-electric stations throughout the Dominion, with an aggregate turbine installation of 745,797 h.p. and a total construction cost of $50,740,458 show an average cost of $69.11 per installed turbine horse power. The figure in brief represents the average capital cost of construction at the power site and is of considerable interest to engineers.

One of the most important facts disclosed as a result of the statistics is the outstanding position which water power takes in the central station field. Out of a total installed primary capacity of 1,-844,571 h.p., 1,652,661 h.p. or 89.6%—practically 90%—is derived from water. The figure is indicative of the extent and availability of the water power resources of the Dominion and of the remarkable degree to which their adaptability for central electric station work has been appreciated in principle and realized in practice. The vast water power resources of the Dominion, the ready adaptability of hydro-power to the production of electrical energy and the increasing extent and scope of economical electrical transmission form an industrial asset which probably more than any other will ensure a full measure of future prosperity.

Sale of Pulpwood Lands in Northern Ontario

The Lake Superior Corporation and Algoma Eastern Railway Company are open to negotiate for the disposal of certain lands

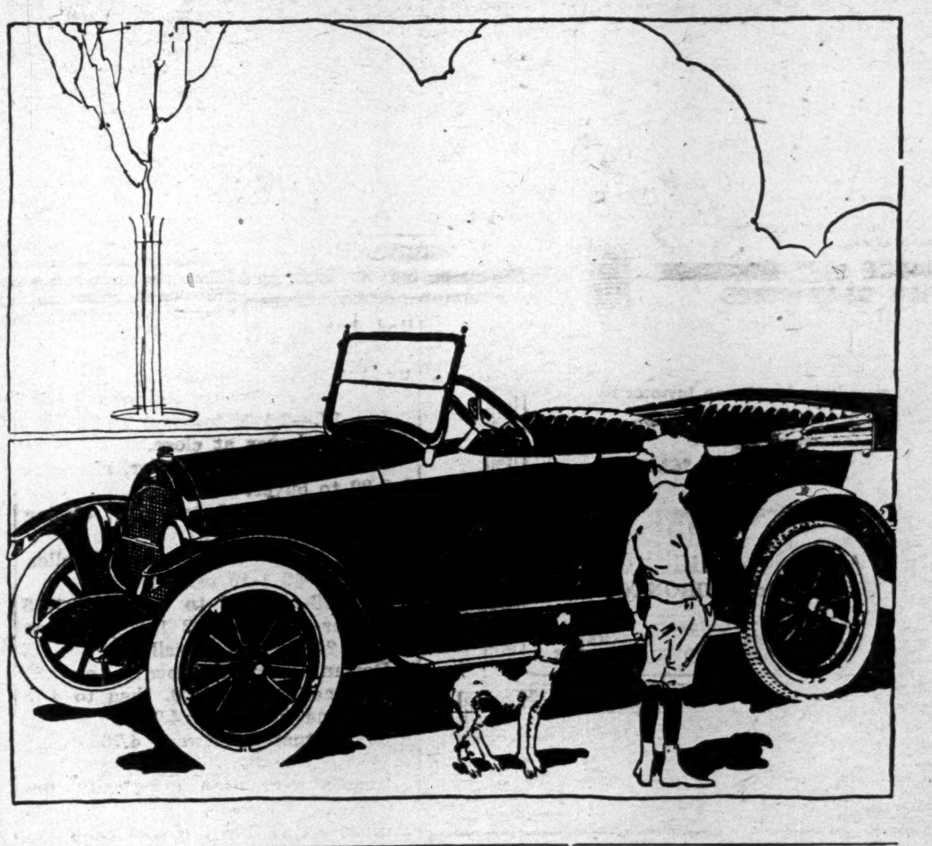
Approximately 682,000 Acres

situated for the most part in that section of Northern Ontario known as the Clay Belt, and comprising the Townships of Storey, Langemarck, Dowsley, Nassau, Shetland, Staunton, Orkney, Magladery, Caithness, Rykert, Doherty, Whigham, Coppell, Newton, Dale, McOwen, Frater.

The lands in question are accessible to the Algoma Central, Trans-Continental, Canadian Northern, and Canadian Pacific Railways, and should be of particular interest to pulp and paper makers, also to settlers, in view of their agricultural possibilities.

General information will be furnished and plans exhibited at the office of Mr. Alex. Taylor, secretary of the Lake Superior Corporation, 1428 Bank of Hamilton Building, Toronto, or at the office of Mr. G. A. Montgomery, vice-president of the Algoma Eastern Railway Company, Sault Ste. Marie, Ont.

Overland



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MONEY, BANKING AND EXCHANGE

TOTAL CLEARINGS FOR THE WEEK SHOW INCREASE

Only Four Cities Out of Twenty-four Report a Falling Off

DOMINION GAIN 22%

Halifax Reports Largest Percentage Gain—Toronto Gains 30.3%, and Montreal a Gain of 25.6%

Total bank clearing returns from twenty-four cities for the week ending Thursday last show a gain over the corresponding period in 1918 of $46,662,599, or 22.1 per cent. The total for this year is $258,591,466, against $211,928,867 last year. The gain in the East is $40,751,995, or 27.3 per cent., and in the West $5,910,604, or 9.4 per cent. All cities in the East report gains, while in the West, Calgary, Brandon, New Westminster and Medicine Hat show a falling off. Toronto, with clearings amounting to $68,614,191, shows an increase of $15,983,698, or 30.3 per cent., and Montreal, with a total of $92,371,914, shows a gain of $18,820,527, or 25.6 per cent., while Winnipeg reports a gain of $4,044,391, or 11.6 per cent. Halifax shows the largest percentage gain with clearings for the week amounting to $4,691,505, a gain of 55.2 per cent. Comparative figures for the week follow:

WEEKLY BANK CLEARINGS
(In comparison with same month last year)

Eastern Cities

	Jan. 23, 1919	Change	%
Montreal	$ 92,371,914	+ $18,820,527	25.6
Toronto	68,614,191	+ 15,983,698	30.3
Ottawa	6,617,782	+ 750,927	12.8
Hamilton	5,123,784	+ 510,899	11.0
Quebec	5,252,014	+ 1,651,188	45.8
Halifax	4,691,505	+ 1,668,632	55.2
London	2,397,160	+ 466,573	24.1
St. John	2,656,068	+ 597,367	29.1
Brantford	920,934	+ 122,531	15.5
Sherbrooke	656,903	+ 23,560	3.7
Kitchener	681,042	+ 156,093	30.0
Total, East	$ 189,983,297	+ $40,751,995	27.3
Windsor	1,092,007		

Western Cities

	Jan. 23, 1919	Change	%
Winnipeg	$ 38,667,699	+ $ 4,044,391	11.6
Vancouver	10,087,103	+ 1,559,320	18.3
Calgary	5,401,248	— 1,215,153	18.3
Edmonton	3,485,723	+ 339,636	10.7
Victoria	1,666,212	+ 88,529	5.7
Regina	2,912,294	+ 383,095	15.2
Saskatoon	1,721,373	+ 197,365	12.8
Moose Jaw	1,498,547	+ 431,382	40.6
Ft. William	925,543	+ 39	....
Brandon	521,244	— 36,449	6.6
Lethbridge	902,209	+ 186,135	26.2
N. Westminster	438,350	— 25,240	5.4
Medicine Hat	380,624	— 42,446	10.0
Total, West	$ 68,608,169	+ $ 5,910,604	9.4
Grd. Total	$ 258,591,466	+ $46,662,599	22.1
Prince Albert	343,478		

EXCHANGE

The market for New York funds has been narrow and steady this week. The supply on the one hand is limited, but on the other it is only immediate buying power that is keeping up the price. Quotations for the week have ranged as follows:

Jan. 17.—2 1-32 to buyer and seller; 2 5-64 to buyer at close.

Jan. 18—2 1-16 to seller, rising to 2 3-32 to buyer.

Jan. 20.—2 1-32 to seller, closing at 2 1-16 to buyer.

Jan. 21—2 1-16 to buyer and seller.

Jan. 22½2 1-16 to seller.

Jan. 23—2 1-16 to seller; 2 1-16 to buyer and close, 2 1-32 to seller.

Jan. 24—2 1-32 to seller.

Demand Sterling opened at 4.75 13-16, moved to 4.7580, then to 4.75 13-16, and closed at 4.7580. Cables have fluctuated between 4.7655 and 4.76 9-16.

Francs have been practically unchanged, cheques being quoted throughout at 5.45 5-8, and cables at 5.45 1-8.

NEW BANK BUILDINGS

Commerce and Nova Scotia Both Contemplate New Head Offices

King Street, Toronto, between Yonge and Bay streets, promises to become a banking centre of increasing importance when present building plans are carried out. These include a new head office for the Bank of Nova Scotia as definitely announced this week, while it has been known for a considerable time that the Bank of Commerce would erect a new structure at the corner of Jordan street as soon as conditions are favorable for the carrying out of a construction programme.

With the Nova Scotia the time for definite action is also indefinite. The building would extend to Melinda street in the rear, but not to quite the same width. On King street the Bank of Nova Scotia building will extend on the east to the site of the contemplated new building of the Bank of Commerce, while on the west it will touch the Union Bank Building, so that the three banks will occupy the entire block from Jordan street to Bay street.

ROYAL

A report from Belleville states that the Royal Bank has purchased a block on Front Street in that city and will erect a large and modern bank building. The two-storey business block on the premises will be torn down.

COMMERCE

The directors of the Canadian Bank of Commerce have declared the first quarterly dividend at the new rate of 12 per cent. per annum. This disbursement of 3 per cent. is for the quarter ending February 28, and will be paid on shares of record February 13. The payment will be made on March 1.

The Bank of Commerce has opened a new branch at Carleton Place, under the temporary management of W. C. Gill.

O. C. Stockwell, of the Parry Sound branch of the Bank of Commerce, has been transferred to the branch at Sudbury.

Harold Glenn, whose death occurred recently at Thedford as a result of pneumonia, was for a number of years a member of the Chatham branch of the Bank of Commerce. Mr. Glenn went to Chatham about six years ago, and three years later was transferred to the branch at Ayr and subsequently to Thedford.

UNION

John Wilson, manager of the Union Bank of Canada in London gave a dinner to the London staff of the Bank at the Holborn Restaurant on December 16. The invited guests numbered 120, and included Sir Harry McGowan, K.B.E.; Sir James McKechnie, Sir J. Gordon Nairne, Sir Robert Nevison, Col. the Hon. Sydney Peel, Col. Guy St. Aubyn, Mr. Ben. Bailey, Col. H. W. Blaylock, O.B.E., Col. Claude Bryan, Sir John Ferguson, Sir Pearce Guy, Major Hanson, Major Hume Blake, and Mr. Frank Young.

F. W. Ashe, assistant general manager of the bank, who is on a visit to England, replied to the toast of the bank.

MOLSONS

F. H. Leonard, who for a considerable period has been a member of the staff of the Molsons Bank at Simcoe, Ont., has resigned to take a position in Windsor.

F. W. G. Johnson, whose death occurred recently at Montreal, was for a number of years on the staff of the Molsons Bank, having opened the St. Catherine Street, Montreal, branch of the bank and managed it for about 19 years.

BRANCH BANKS

According to a report sent out from Winnipeg recently thirty new bank branches have been decided upon for the prairie provinces since the armistice. These are divided as follows: Commerce 9, Toronto 8, Standard 7, Union 3, Sterling 2, and Royal 1.

MONTREAL

Thsodore C. Sutherland, who died recently at Saskatoon from pneumonia, was on the staff of the Bank of Montreal for about ten years. Mr. Sutherland was transferred to Saskatoon from Stratford, Ont., in April of last year.

CLEARING HOUSE

The first annual meeting of the Windsor Clearing House Association held recently, elected George Mair, manager of the Royal Bank, as chairman; A. E. Taylor, of the Canadian Bank of Commerce, vice-chairman, and George Carruthers, manager and secretary for 1919.

IMPERIAL

The Imperial Bank of Canada has opened a branch at the corner of Queen Street East and Carlaw Avenue, Toronto. This is the fourteenth branch opened oy the Imperial since the signing of the armistice, nine of them being situated in Western Canada. The new branch is in charge of F. G. Venables.

C. A. Kehoe, formerly of Bolton, has been promoted to the position of accountant of the main office of the Imperial Bank at Sault Ste. Marie.

HAMILTON

The Bank of Hamilton has opened a branch at Weldon, Sask., in charge of O. Olafson.

THE BANK NOTES

Gains and Losses Recorded on Another Week of Activity

The bank stocks have passed another week in the centre of the stage, so far as trading on the Canadian exchanges is concerned. Molsons led the upward movement with a gain of over 20 points, and Imperial showed a net advance of 7 points. Royal and Dominion also moved up considerably. Union and Hamilton each lost 6 points, and Commerce declined 3 points. Following are comparative figures:—

	Last Jan. 16	Sales Jan. 23	Ch'ge
Commerce	214	211	— 3
Dominion	216	219	+ 3
Hamilton	209	203	— 6
Hochelaga	148	*148	.
Imperial	203	210	+ 7
Merchants	190	190	.
Molsons	*179¼	200	+20¾
Montreal	216	216¼	+ ¼
Nova Scotia	256	258	+ 2
Royal	213½	213	— ½
Standard	215	214⅞	— ⅛
Toronto	200¼	214¾	+ 1½
Union	166½	160½	— 6

*No sales this week.

ROYAL SECURITIES

Royal Securities Corporation, Limited, announces the appointment as assistant manager of its sales department, of Norman S. Brooke, effective from February 1st, 1919. Mr. Brooke has been connected with the Corporation in this department for a number of years.

Arthur D. Emory, for several years advertising manager of the Sun Life Assurance Company of Canada, has entered the Corporation's service as manager of the Publicity Department.

SEN. BEAUBIEN ON PROPOSAL FOR TRAIN TO FRANCE

Continued from page 1

carried out at the proper time and in the proper manner."

Proposal Was Understood

That Sir George Foster clearly interpreted the above report and the representations made to him by several delegations of the C.M.A. as a full and unqualified approval of the idea, is shown by the following extract of a letter from Sir George to Mr. Murray, then secretary of the above association, dated April 10, 1917: "Your letter of Feb. 6 showed the approval of the members of the Executive Committee and their hearty endorsation of the proposition."

The association has not modified its views in this respect. In November last, 1918, a further resolution fully endorsing the project was passed unanimously by it, and a special delegation named to present the same to the Government. This delegation was received at Ottawa by members of the Cabinet on the 14th Nov., 1918.

It must therefore be admitted that the C. M. A. have been from the inception, and still are, fully back of the proposition.

Show Our Goods

An article in THE FINANCIAL POST last week warns manufacturers to act on their own initiative, as the Government is disposed to dispense with paternalism. "The first step," said Senator Beaubien, "is to show the goods before orders can be taken. Manufacturers have to go out for business, and I cannot conceive of anything that will be more effective than to use the sample train as a national commercial traveler with his pack of wares on his back, speeding through every city and village in France, Belgium, Italy and Great Britain, exhibiting the goods we have to sell. However, the time to do this is the present: our competitors are up and doing. If we do not act now, later it will be of no avail."

News of Securities

Continued from page 6.

time the large canners have pretty well cleaned out their stocks, and are, it is understood, purchasing from other sources to meet the demands of this export trade.

F. N. BURT

F. N. Burt common sold at 75 this week, a gain of four points from the last previous. Reports to THE FINANCIAL POST indicate that the company had a very prosperous year and will show increased profits. This, despite heavy taxes both in the United States and Canada. An interesting feature of the company's business in 1918 was that while there was a considerable shrinkage of profits from operations in the Canadian plants, these were more than counterbalanced by the earnings of the American end of the concern. The preferred has sold this week at 92 off to 90.

GENERAL ELECTRIC

Canadian General Electric common showed a tendency to sell off during the late trading this week when there were sales down to 102¼. Up to this week the recent low point had been 104.

MACKAY

The market for Mackay common has been weaker this week, selling down to 71½, while the price of the preferred has remained steady at 65.

PETROLEUM

The annual report of the International Petroleum Company for 1917, which is just being issued, will show earnings of $1,009,017, or 14.91 per cent. on the outstanding stock. In the previous fiscal period of 1916 the earnings were $905,614, or 13¼ per cent. The capital remains practically the same, being $500,000 in preferred and $6,267,005 in common.

The report states that the negotiations between the Government of Peru and the company, which have been in progress for several years, and through which it was hoped to secure a settlement of certain questions raised by the Government as to the amount of mining taxes which the Government is to impose upon the company, are still in progress.

ROGERS

Reports of the business of the Canadian Rogers Company continue very satisfactory in view of the conditions prevailing. After-holiday bookings were of a very satisfactory character, indicating that stocks in hands of retailers were much depleted by the Christmas buying. The company begins to note the effect of the declining market for raw materials and there is also a noticeable reduction in the cost of labor in relation to output although the scale of wages is rigidly maintained. The industry has, however, been facing many difficulties under war conditions and readjustments are likely to be gradual.

BANK OF ENGLAND

London, Jan. 23.—The weekly statement of the Bank of England shows the following changes:

Total reserve, inc.	£ 421,000
Circulation, dec.	677,000
Bullion, dec.	256,614
Other securities, inc.	154,000
Public deposits, dec.	951,000
Other deposits, inc.	1,776,000
Notes reserve, inc.	356,000
Gov't. securities, inc.	267,000

The proportion of the bank's reserve to liability this week is 19.32 per cent.; last week it was 19.14 per cent.

Rate of discount, five per cent.

Robert Cassels G. H. Brown

Cassels, Browne & Co.

Members Toronto Stock Exchange

318 Dominion Bank Building
TORONTO

Direct Private Wire to New York, Chicago and Washington

Canada Permanent Mortgage Corporation

Toronto Street :: TORONTO
Established 1855

Capital (paid-up) .... $ 6,000,000.00
Reserve Fund (earned) .. 5,250,000.00
Unappropriated Profits .. 197,977.41

Capital and Surplus $11,447,977.41
Investments 31,557,661.82

A TRUSTEE INVESTMENT

The Debentures issued by this Corporation are a high-class security in which Executors and Trustees are authorized by law to invest Trust Funds. Trustees may have a Debenture for the exact amount of the Trust when desired. Enquire about them.

ACCEPTED BY THE CANADIAN GOVERNMENT

Canada Permanent Debentures are accepted by the Canadian Government as a portion of the deposits required to be made by Insurance Companies transacting business in Canada. British, Canadian and United States Fire and Life Insurance Companies, Benevolent and Fraternal Associations, etc., have for many years been investors in the Debentures of this Corporation. At present these institutions are owners of Canada Permanent Debentures to an amount exceeding ONE AND A HALF MILLION DOLLARS.

VICTORY ½% BONDS

PRICES:
1923—100½ and Interest
1933—101 and Interest

We advise the purchase of these Bonds. They
Are Absolutely secure.
Return good income.
Are Saleable.
Are Tax Exempt.

Your orders will have our prompt and courteous attention.

JOHN STARK & CO.
ESTABLISHED 1870 MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING - TORONTO

There May Be Unexpected Value In Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to their future possibilities.

We are specialists in unlisteds and our service and monthly letters are yours for the asking.

T. A. Richardson and Company

INVESTMENT BANKERS

Royal Bank Bldg., Toronto

Route Your Shipments
CANADIAN NATIONAL

January 25, 1919
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NEWS AND VIEWS FOR MANAGERS

WHAT WAS MISUNDERSTANDING WITH CUSTOMER?

A Case of Confusion on the Interest Rate Involved

CARE IS NECESSARY

Customer's Complaint Which Emphasizes the Necessity For Clear Understanding on All Transactions

Here is a letter from a bank customer which managers should find interesting from several standpoints. It was addressed to the editor of THE FINANCIAL POST:

Sir,—I would appreciate it if you would kindly enlighten me on the following subject.

I borrowed $1,000 from a local bank for one year at 6½ per cent. The bank placed $935 to my credit and took my note to pay $1,000 in a year's time. In other words I pay $65 for the use of $935 for one year, i.e., an interest rate of 6.95 per cent. instead of 6.5 per cent. Is this the correct procedure on the bank's part—it looks curious to me.

Yours truly.

Peterboro, Jan. 15.

I have discussed the matter with a number of bankers and they join in the opinion that the transaction was an unusual one. They ask:

Why was a note for one year accepted?

Why was there any misunderstanding as to terms?

Why was a rate of 6½ per cent. given on such a transaction unless it was understood that the basis was "discount?"

The point that impresses me particularly from the standpoint of the branch manager was that there apparently was a misunderstanding. This emphasizes the necessity for having all transactions with customers clearly understood. This was a case where the usual rules of banking now employed were departed from; evidently there were unusual circumstances; and yet the customer did not understand them as he should for the maintenance of the best relations between himself and the bank.

Unusual Features

In discussing the points which have been emphasized, the bankers with whom I have discussed the matter take the ground that in the first place it was most unusual for the manager to take a note for a year unless there were very special reasons—the three months renewal is very generally set out by head office policy and assurances of renewal are more or less on the responsibility of the manager himself. Then they fail to understand how the customer should have come to the conclusion that the loan was on an "interest" basis when the "discount" rule is almost always followed on such transactions. Further the point was made by one manager that the 6½ per cent. rate would seem to indicate that the "discount" basis was taken into consideration — otherwise the rate would have been higher—and another emphasized that had the usual three months rule been followed the difference in rates would not have been so apparent.

It would be very interesting to have the opinions of some other managers as to this transaction.

J. W. T.

THE GOLD SITUATION

Bounty Advocated by Vice-President of Equitable Trust

Under the title, "The Gold Situation," Henry E. Cooper, vice-president of the Equitable Trust Company, New York, has collated and the company has published an interesting and valuable treatise on a matter now engaging careful attention. Mr. Cooper first gives the history of the adoption of gold as the standard of value, and then proceeds to describe the great expansion of the credit structure which has taken place, in recent years especially. The history of the gold industry is sketched and the relation of gold to the economic structure stated.

The rise in the cost of labor and materials has affected gold mining along with other industries, and the demand for relief is quite natural. From the economic standpoint the matter is one of importance, since the tremendous expansion of credit and currency in the face of a gold production which already gives evidence of an actual falling off, presents a serious situation.

In considering the remedies proposed, Mr. Cooper examines the commodity standard and the suggestion of revaluing the dollar in proportion to the increased prices of commodities. While regarding both these proposals as economically sound, he thinks the revolutionary character of these measures would make their general acceptance difficult. He reaches this conclusion:

We therefore believe that, aside from the minor demands expressed by the interests engaged in the gold industry, such as draft exemption of labor, rebate of freight rates or revision of the excess profit tax law which, we feel sure, the Government will take into serious and sympathetic consideration, a bounty or bonus should be paid by the Government to the gold mining interests for all new gold produced.

It is suggested that to make this plan effective there should be an international agreement.

LONDON SUPREME IN MONEY MARKET

An Interesting Statement on the Rising Influence of New York

By LEOPOLD FREDERICK
Director of American Smelting & Refining Company

Whether London or New York will continue after the war to predominate in financing world trade is a question that has caused keen discussion in banking circles. The popular belief is that New York to-day is the centre of world finance, and that we have succeeded in wresting from London their premier position. The question was discussed at a recent meeting of the Council on Foreign Relations, held at the Metropolitan Club in New York. P. W. Wilson, of the London "Daily News," in a very able speech regarding future relations between the United States and Great Britain, declared that the financial centre of the world has passed from London to New York. This did not coincide with the views that I held, which views were prompted by knowledge of the actual condition of the money markets, both in New York and London. My speech at the meeting was in the nature of a reply to Mr. Wilson. At that time I set forth my reasons for believing that London still holds the financial supremacy Since that time I have made a careful investigation, and ascertained the approximate amount of acceptances outstanding against foreign trade in this country. I have also canvassed many authorities on the London acceptance market. The conclusions I have been able to draw from this are, as I said in reply to Mr. Wilson, that only so far as loans made by the United States to the Allies are concerned has the financial centre been shifted to New York. However, so far as the financing of exports and imports of the world are concerned, London is still supreme. The table below shows the estimated amount of acceptances outstanding against international business both in London and in New York.

The figures given show that London is way ahead, and I believe that even with the much-needed improvement of the machinery for financing international trade, London will still for many years to come outdistance New York. We are lacking here the large number of merchant-bankers, old-established accepting houses with business ramifications all over the globe. We here will be satisfied if we can hold the Central and South American and Far Eastern business. Although dollar exchange has made great strides since the war, the New York discount market is still in its infancy. For the present there is little likelihood that we will get except occasionally, the financing of the Continental trade of Europe. It is hardly likely that, say, an Amsterdam merchant importing goods from France, will seek accommodation in New York; he will go as heretofore to London. It may be possible, I think, that this handicap of location will be partly overcome in the future with the aeroplane development, which would narrow down the time consumed by the mail in transit. I dwelt especially upon the great ability of the English to maintain the sterling rate for so long at the "pegged" figure, and the discount policy of the London market, which during the monetary stringency in New York in the last few months enabled it to render great services to the Allied nations in assuming the burden of financing a vast amount of exports and imports of the world. In order to retain their business, the English bankers have made great sacrifices during the last six months. They are paying on foreign cheque accounts 4¼ per cent. interest and keeping the discount rate at 3½ per cent. They know that trade flows where money is cheapest. We have to take our hats off to the English. They understand international finance.

LONDON		
Acceptances of all London clearing house banks, colonial banks, foreign agencies, and private bankers outstanding in the neighborhood of		$500,000,000
NEW YORK.		
Acceptances of New York National and State banks and trust companies	$270,000,000	
Acceptances of foreign trade corporations and foreign agencies established in New York	55,000,000	
Acceptances of private bankers	40,000,000	
Total	$365,000,000	
Deduct acceptances issued for the purposes of financing domestic trade	155,000,000	
Leaving a total of acceptances representing the financing of imports and exports through New York		$210,000,000

CANADIAN AND AMERICAN BANK INTERESTS JOIN

Royal and Merchants National Now More Closely Allied

ABSORBING TALENT

Graduates of Canadian Banking Institutions Find Many Openings in Financial Field in U.S.

NEW YORK.—The election of Raymond E. Jones to the presidency of the Merchants National Bank, succeeding Senator Theodore E. Burton who was made chairman of the Board, is of striking interest as indicating the further intimacy of Canadian and American banking. Mr. Jones originally came to New York as agent for the Royal Bank of Canada. He went to the Merchants National Bank as vice-president when the Royal Bank of Canada in June 1917 paid $2,860,000 for one share more than one-half of the capital stock of the New York banking institution.

Despite its purchase by the Royal Bank of Canada the Merchants Bank remained an American institution; the Canadians simply bought the majority of the stock. The new ownership represented the further development of that community of interest largely built up between this country and the Dominion during the war period.

J. E. Aldred, widely associated with Canadian industrial enterprise by reason of his established connection with the Shawinigan interests, became a director of the Merchants National Bank when the Royal Bank acquired control. Simultaneously with the elevation of Mr. Jones to the presidency Mr. Aldred has been made chairman of the executive committee. These two moves are believed to presage the complete development of Canadian affiliations, contemplated earlier.

Since the acquisition of the Merchants by the Royal the New York Bank has expanded. March 1918 figures showed deposits of $22,187,000, which had increased to $23,797,000 by September 1918. The Bank's capital is $2,000,000 and surplus $2,000,000. Loans and discounts which in March 1918 stood at $17,638,000 had increased to $25,236,000 in September and in addition the Bank showed acceptances of $5,027,000.

A Similar Transaction

A banking move similiar to the acquisition of the Merchants by the Canadian institution is the announcement of the week that a group of Italian-American bankers have acquired controlling interest in the East River National Bank in New York. The purchase was made in anticipation of a large trade with Italy as the outcome of the war.

It might be pointed out in this connection that foreign banks with agencies in New York are not permitted to accept domestic deposits. Acquisition of a New York state banking institution indirectly gives the foreign banking interests securing control the right to receive deposits here.

Of Increasing Importance

Recent developments have been of outstanding importance in linking up Canadian-American banking interests. The recently announced decision of the Union Bank of Canada, co-operating with the National Park Bank in New York to form a subsidiary for further exploitation of the Oriental banking field, is easily one of the most vital links in the chain. Mr. John Galt, president of the Union Bank of Canada has given as his opinion that "this is, we believe, the first working alliance consummated between an American and a Canadian bank," although at the same time Mr. Galt remarked that the Union Bank's relationship with the National Park Bank of New York had been most intimate and friendly for almost fifty years.

"Taking Over" Canadians

American appreciation of Canadian bank executives continues to manifest itself. Little more than a year ago it will be recalled that the American Foreign Banking Corporation formally began business in New York City. The president of this corporation is Archibald Kains and one of the vice-presidents is Thomas Aspden. Both Mr. Aspden and Mr. Kains attained higher-up posts with the Canadian Bank of Commerce. Mr. Easson, general manager of the Standard Bank of Canada, a shareholder in the corporation, is a director. A short time ago it became known in Wall Street banking circles that F. T. Walker, New York agent of the Royal Bank of Canada, had been given the refusal of the first vice-presidency of the Discount Company of New York, the recently organized $5,000,000 enterprise which is backed by leading New York banks. Mr. Walker declined although it was intimated that the offer was a flattering one. A banker with Canadian experience was particularly sought because the Company will cultivate the "trade acceptance" business, which is a comparatively new thing in the United States, whereas it has long been one of the fundamental props of the Canadian banking system. J. G. Geddes, former Vancouver manager of the Union Bank of Canada, is now in charge of the Foreign Exchange Department of the First National Bank of Cleveland, Ohio.

DON.

U. S. SEED LOANS

Maximums of $500 for Spring and $300 for Fall Planting

WASHINGTON.—Regulations governing the making of seed-grain loans by the Government to farmers in drought-stricken areas for spring wheat planting in 1919 provide a maximum limit for loans for spring planting will be $500, while the limit for fall-planting loans was $300. The money available is that remaining in the President's $5,000,000 special fund set aside for such loans. A survey of the situation, the Secretary of Agriculture has stated, indicates that the remainder of the fund will take care of the urgent cases.

The Federal land banks of the districts embracing the affected areas are designated as the financial agents of the Government in making and collecting the loans. They may designate local banks or other agencies to represent them in the taking of applications, forms of which will be supplied on request. Banks and other local agencies assisting will be asked to contribute their services for the good of their communities.

SAVINGS BANKS TO JOIN

Proposals to United States Federal Reserve Board

The Savings Bank Section of the American Bankers' Association, through its Committee on Federal Legislation, recently submitted certain proposals to the Federal Reserve Board. They were as follows:

An amendment to Section 9 of the Federal Reserve Act authorizing the Federal Reserve Board to admit to membership mutual savings associations without capital stock or incorporated savings banks with insufficient capital stock to entitle them to become member banks under existing law, provided the surplus of such mutual savings associations or the combined capital and surplus of the incorporated savings banks is equal to the amount of capital stock required of national banks in the places in which such associations or savings banks are located.

An amendment to Section 19 of the Federal Reserve Act authorizing the Federal Reserve Board by regulation, to prescribe the conditions that must be complied with in order that a time deposit may be classed as a savings account or savings deposit and providing that two-thirds of the three per cent. reserve carried against savings accounts may consist of bonds of the United States issued since April 24, 1917, or certificates of indebtedness of the United States deposited with the Federal Reserve Bank."

INDUSTRY AND WAR

Westinghouse Furnished Enormous Supplies of Equipment

General Guy E. Tripp, who during the war was assistant to the chief of ordance at Washington, and who has now returned to his duties in New York as chairman of the board of the Westinghouse Electric & Manufacturing Co., records in the course of an interview some of the valuable contributions of the Westinghouse organization in the winning of the war. He says:

"It may be of interest to mention one of the company's best known activities. Five hundred cars of shells a month were shipped from the Westinghouse plants in the Pittsburgh district alone, averaging nearly twenty car loads a day. Since the beginning of the European War, the Westinghouse plants have furnished a total of 6,000,000 shells, and since the United States entered the war, not only furnished to our own country, but to Great Britain with the approval of the United States Government, a total of nearly 3,000,000 shells (since 1917), 8,500,000 rifle grenades, and 500,000 grenade dischargers.

BANK OF NOVA SCOTIA ESTABLISHED 1832

EIGHTY-SEVENTH ANNUAL REPORT

The Bank of Nova Scotia

Capital Paid-Up, $6,500,000 Reserve Fund, $12,000,000

PROFIT AND LOSS

Balance Dec. 31st, 1917	$ 560,269 47
Net profits for year, losses by bad debts estimated and provided for	1,411,925 04
	$1,972,194 51
Dividends for year at 14%	$ 910,000 00
War Tax on circulation to December 31st, 1918	65,000 00
Contributions to Canadian Patriotic, British Red Cross and other Funds	47,500 00
Contribution to Officers' Pension Fund	50,000 00
Written off Bank Premises Account	150,000 00
Balance carried forward December 31st, 1918	749,694 51
	$ 1,972,194 51

RESERVE FUND

Balance December 31st, 1917	$12,000,000 00
Balance forward December 31st, 1918	$12,000,000 00

GENERAL STATEMENT AS AT DECEMBER 31st, 1918

LIABILITIES

Capital Stock paid in		$ 6,500,000 00	
Reserve Fund		12,000,000 00	
Balance of Profits, as per Profit and Loss Account		749,694 51	
Dividends declared and unpaid		229,953 50	
			$19,479,648 01
Notes of the Bank in circulation		17,568,924 51	
Deposits not bearing interest	$47,696,581 39		
Deposits bearing interest, including interest accrued to date	74,531,580 24	122,228,161 63	
		139,797,086 14	
Balances due to other Banks in Canada		344,880 33	
Balances due to Banks and Banking Correspondents in the United Kingdom		110,118 51	
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		1,222,220 68	
			141,474,305 66
Acceptances under Letters of Credit			375,749 51
			$161,329,703 18

ASSETS

Current Coin	$ 9,586,983 62
Dominion Notes	13,670,782 50
Notes of other Banks	1,904,842 39
Cheques on other Banks	9,145,394 88
Balances due by Banks and Banking Correspondents in the United Kingdom, and sterling exchange	2,566,367 40
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	2,653,131 19
	39,527,501 98
Deposit in the Central Gold Reserves	12,000,000 00
Dominion and Provincial Government securities, not exceeding market value	12,284,706 04
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	14,966,283 07
Railway and other bonds, debentures and stocks, not exceeding market value	3,387,190 96
Demand loans in Canada secured by grain and other staple commodities	10,243,399 64
Call and demand loans elsewhere than in Canada	11,535,041 55
	103,944,123 24
Call and demand loans in Canada secured by bonds, debentures and stocks	3,832,136 28
	107,776,259 52
Deposit with the Minister of Finance for the purposes of the circulation fund	330,640 19
Loans to governments and municipalities	386,805 68
Other current loans and discounts in Canada (less rebate of interest)	39,819,493 26
Other current loans and discounts elsewhere than in Canada (less rebate of interest)	9,682,644 37
Liabilities of Customers under Letters of Credit, as per contra	375,749 51
Overdue debts, estimated loss provided for	16,412 89
Bank Premises at not more than cost, less amounts written off	2,798,825 74
Real Estate other than Bank Premises	81,800 00
Other assets not included in the foregoing	61,072 02
	$161,329,703 18

CHARLES ARCHIBALD, President. H. A. RICHARDSON, General Manager.

AUDITORS' CERTIFICATE

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 31st, 1918, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us as at the close of business December 31st, 1918, and in addition we visited the Chief Office and certain Branches during the year, when we checked the cash and verified the securities and found them to be in agreement with the books. We have obtained all information and explanations required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 31st, 1918, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

A. B. BRODIE, C.A.
D. McK. McCLELLAND, C.A. } Auditors.
of the firm of Price, Waterhouse & Co.

Toronto, Canada, 15th January, 1919.

The Royal Bank of Canada

Statement to the Dominion Government (Condensed) Showing Condition of the Bank on December 31, 1918

LIABILITIES

Capital Paid-up	$ 14,000,000.00
Reserve Fund	15,000,000.00
Undivided Profits	535,757.19
Notes in Circulation	37,788,656.74
Deposits	337,475,496.57
Due to other Banks	6,851,706.27
Bills Payable (Acceptances by London Branch)	321,974.55
Acceptances under Letters of Credit	10,835,591.36
	$422,809,182.68

ASSETS

Cash on Hand and in Banks	$ 69,804,371.01
Deposit in the Central Gold Reserves	26,000,000.00
Government and Municipal Securities	56,236,065.08
Railway and other Bonds, Debentures and Stocks	14,587,371.33
Call Loans in Canada	11,443,391.09
Call Loans elsewhere than in Canada	26,980,919.83
	$205,052,118.34
Loans and Discounts	198,324,832.03
Liabilities of Customers under Letters of Credit as per contra	10,835,591.36
Bank Premises	6,592,475.43
Real Estate other than Bank Premises	1,169,481.02
Mortgages on Real Estate sold by the Bank	91,865.75
Deposit with Dominion Government for Security of Note Circulation	742,818.75
	$422,809,182.68

THE FINANCIAL POST

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - - H. T. HUNTER
Manager - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - J. W. TYSON

A weekly newpsaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

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No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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TORONTO, JANUARY 25, 1919

ABOUT BANK MERGERS

THE proposal for the merging of the interests of the Bank of Ottawa with those of the Bank of Nova Scotia is meeting with the usual newspaper-fostered protests that service to the business public is being curtailed through elimination of competition and that financial control is being centred in a gradually contracting group; also, the point is made that the interests of the depositors should be considered in the matter. If there is any foundation in fact for the charge that commercial or industrial expansion is being checked by the absorption of the smaller banks by the larger institutions, THE FINANCIAL POST is willing to join with the chorus of protest, but THE FINANCIAL POST takes strong objection to the tactics of obstruction if they are merely efforts for the purpose of using public ignorance as capital and public prejudice as a foundation for constructing a flimsy structure of passing opinion without considering the factors which make for permanent good. Let us consider the points involved in a practical way.

At first glance it would appear that the absorption of five chartered banks in the past seven years would have reduced service by eliminating factors for competition. This point is particularly emphasized in the interests of the smaller communities. As a matter of fact there are considerably over EIGHT HUNDRED MORE BANK BRANCHES IN CANADA TO-DAY THAN SEVEN YEARS AGO. Following are figures from the latest issue of the Bank Directory of Canada:

Branches	Dec., 1911	Dec., 1918
Canada	2,628	3,429
Newfoundland	12	27
Elsewhere	56	84
Total	2.696	3,550

Mergers have obviously not resulted in less but greater competition and greater service to the public. If there are any definite cases where business has actually suffered through curtailment of credit resulting from bank absorptions these should be mentioned instead of vague generalities. Inquiry in financial circles indicates that, in fact, it is the keenness of competition that brings about the mergers. The smaller institutions may not be able to compete in rendering service profitably and consolidations may thus reduce the possibilities of eventual failure. Simply because the absorbing institution becomes larger it does not indicate that it intends to reduce its service. This is not the way with successful business in any line. A concern like the T. Eaton Company does not reduce its service as it absorbs new business.

From the standpoint of successful banking, the most important advantage of the larger institutions is their ability to find profitable markets for their funds. A bank with branches all over Canada is in a much better position to employ its funds at all seasons than one with a restricted field. If there are branches in other countries as well, so much the better. Then there is the reduction of overhead expenses and the possibilities of less and better talent in the administration—tendencies which are marking the progress of modern business in all lines.

Such improved facilities also provide for increased service in the development of home and foreign business, in which connection the banking tendencies of other countries are not to be overlooked if Canada is to play a part in supplying world markets.

The argument that financial control is passing into the hands of a few individuals is indefinite, but does not appear to have much ground if the inference is that the directors use the funds for their own interests—an idea which is many years behind the times of modern banking. The banks to-day are owned by their shareholders; consolidations do mean a reduction of the amount of stock or the number of stockholders. If there is more centralized control it applies to the management and there can be no real argument against this. A board of directors disappears, but it is a disappearance usually by an increase of the directorate of the growing institution.

The right of the shareholders to dispose of their property must be regarded as one of the first considerations in the matter of mergers. Ethically, also the depositors seemingly have rights—but can these be defined in a practical way? They are merely transient customers with the right to change their accounts to suit their desires. The customers of two retail stores would be likewise concerned if a consolidation were decided upon, but it would be very difficult to so arrange matters that their views could be brought to bear upon the transaction. The protest also of the people of Ottawa, in the case of the present merger, is easily understood; they take a local pride in the institution. But that should not have a bearing upon the broad principles involved. If Ottawa business men decide to buy out sufficient of the present shareholders to control the situation that is their unqualified right.

In conclusion, let us repeat that THE FINANCIAL POST stands against bank mergers or other business or industrial combinations which will permit of restriction of public service or the exaction of undue profits, but favors such consolidations as tend to reduce costs of production or service rendered, which is in the last analysis in the interests of the whole people.

LLOYD-GEORGE'S ERROR

ALL Canada, and particularly Cabinet Ministers and public men at Ottawa, were amazed, and not only amazed, but disgusted, when they learnt that Lloyd-George had made Winston Churchill Minister of War, and Sir F. E. Smith Lord Chancellor, with promotion to the peerage.

Everywhere the question is asked, "What pull have these two men, or is Lloyd-George afraid of them, that, with such records of failures in everything but platform speaking, they should be given preferment?"

Both men have personally left very bad impressions in Canada, and Lloyd-George has lost in reputation throughout the country in consequence of these two appointments.

SERVICE AND POLITICS

A HIGH note in regard to public service and responsibility, on the part of the individual, was sounded at the annual meeting of the Toronto Board of Trade by the retiring president, C. A. Bogert, general manager of the Dominion Bank. He referred to the splendid response which had been made by the business men and executives of the country during the war period, and called for continued devotion from these men to public affairs during a period which required more sagacious administration than ever before. Nor did he confine the idea of service to men of executive capacity alone—the point was made emphatically that each individual should do according to his talents.

This theme was recently developed by Otto H. Kahn, the American banker, when he declared that after the upheaval of war the standard by which men would be judged and rewarded would be more exacting and far-reaching than ever before, that of work done, duty performed, service rendered. The world, he said, would have no place for idlers and social slackers.

These views emphasize the need which THE FINANCIAL POST has so often emphasized for men of executive ability in the Government administration. One of the great difficulties is that the public has so long been used to political entertainers on the national stage that it evidences small appreciation of the men whose one desire is accomplishment. The man who would serve at Ottawa must expect to do so without financial return and to receive brickbats rather than bouquets from the newspapers and the public.

FRANCHISE OBLIGATIONS

THE situation regarding the Hamilton Radial Line to Burlington becomes more complicated. There seemed to be a good chance of the council and the company reaching a sensible arrangement for operation which would have been mutually beneficial and satisfying when Sir Adam Beck butted in with his big ideas and now everything is up in the air.

As regards the company and the course it has taken, there has been a persistent effort to give the impression that it has committed a serious offence in discontinuing its service—that it has broken some agreement. This is beside the facts. The company built the road under a certain franchise. It received the franchise provided that it did certain things. Otherwise the franchise would be cancelled. It carried out the conditions for years at a loss and then decided to discontinue operations. It did not break its agreement. It merely sacrificed its concessions as the franchise stipulated. The case is similar to that when a property owner cannot meet his mortgage agreement and sacrifices the property.

In connection with these radial schemes of the Hydro Commission we would make the suggestion that Sir Adam should go slowly in shouldering such financial burdens at this time, especially when the CLARKSON REPORT HAS NOT YET BEEN MADE PUBLIC. Nothing of this report has yet been given out but the summary issued by Premier Hearst. At the convention weeks ago in Toronto, Sir Adam made the statement that THE FINANCIAL POST knew the contents of the report. THE FINANCIAL POST emphatically denied this statement. Further THE FINANCIAL POST has not yet been able to secure a copy of the report, although requests have been made. The reply is that it "is still in the hands of the printers."

EDITORIAL NOTES

C. A. Bogert gave the Toronto Board of Trade some straight talk about the Hydro when he suggested that before these great undertakings were carried any further there should be assurance of the business stability of the whole proposition.

THE gratuitous advice of the Toronto *Globe's* Ottawa correspondent to Canadian manufacturers to run full capacity even though there is no immediate market in sight for their goods and prices are in a state of readjustment will be accepted for just what it is worth—and we will leave that to the judgment of the manufacturer himself.

THAT conditions which will give the packers a bump will give the farmers a bump and the country a still worse bump—this is an argument advanced by the Toronto *Telegram.* It is the first sound opinion in relation to business which the editorials of this paper have contained in a long, long time. The editor must have been reading THE FINANCIAL POST.

Farmers' Platform on Economic Issues

E. C. Drury, Vice-President of the United Farmers of Ontario, Makes Statement on Timely Topics

Believing that the solution of the tariff problem in Canada depends upon the establishment of a common ground of understanding between the various elements—agriculture, labor and manufacturing—THE FINANCIAL POST prints herewith a statement of the farmers' views of the economic questions involved, as prepared by E. C. Drury, vice-president of the United Farmers of Ontario. Mr. Drury, it will be remembered, spoke on these matters before the farmers' convention in Toronto some weeks ago and his views may be regarded as indicating the opinions of the section of the community he represents. By studying the farmers' arguments, the manufacturers should be in a better position to take steps to effectively present their case.

With the coming of peace and the unescapable and difficult period of reconstruction, our country finds herself faced with economic problems more important, more insistent than any that, in the course of her history, have come before her. The problems of returning to civil life the army that has covered itself and Canada with glory in the Great War, of redistributing without loss to themselves or to the country the vast multitude of men and women who have been employed in the lucrative but transient work of munition making, of providing employment for the difficult period of transition of such a nature that the results shall be permanently productive, and last, but not least, of meeting interest and principal charges on our vast foreign commercial and national indebtedness; these are problems which may well call for the clearest and most careful thought on the part of our citizens. This need for careful thought on the part of the citizens is made the greater by the fact that Canada has produced many and great politicians, but few statesmen, and by **the further sinister fact** that there are not wanting selfish and powerful interests that will not hesitate to use any and every means in their power not only to escape their just share of the war indebtedness, but to enrich themselves at the expense of the nation. To these interests in the past Canadian politicians, thinking only of the winning of elections, have shown themselves utterly subservient. It is the business of the citizens to see that this is not the case in the future. To this end the fullest and freest discussion is required, and in order that the views of a not unimportant industry, that of agriculture, may be fairly placed before the public, it shall be my task to-day to discuss the economic problems of reconstruction from the standpoint of the farmer.

Shouldering the Debt

The crux of the whole situation, it appears to me, centres around the huge foreign indebtedness of Canada. In coming to the consideration of this phase of the subject it will be well to consider for a moment the position of Canada before the war, and the changed condition after the war. Canada has always been a debtor nation, and, under the conditions of pre-war times, quite properly so. She has been for the past twenty years, more particularly, one of the fast developing sections of the earth's surface. Our immense natural resources were attracting, and could be counted on to attract, a very large immigration from the overcrowded sections of the world. To develop these natural resources and to prepare for the expected population, vast capital flowed into the country from outside, seeking more profitable investments than could be found in the now highly-capitalized countries of the Old World. Great works, not all of them wise, were undertaken: railways, canals, land development and so forth, and while these works were going on Canada enjoyed an artificial prosperity from the spending of this foreign capital within her borders. The balance of trade, it is true, was against us, but it caused us no concern since we were in the position of the young man who has bought an unimproved farm and is improving it on borrowed money. His position is fairly sound, even if his purchases do exceed his sales, for what he is spending is going into improvements, which, if wisely made, will later on yield him a handsome revenue.

After the war, however, this condition, without doubt, will change. Capital from Great Britain, France. Holland. Germany, etc., will no longer flow into our country to develop our resources. It will be more urgently needed to repair the ravages of war in Europe. Spending of foreign money in Canada, with its resultant prosperity, will cease, and we shall find ourselves in the position of the man who, having borrowed heavily to improve his farm, finds himself suddenly unable to borrow more, and must somehow turn to and, out of the means at his hand, produce enough to pay the interest on debts already incurred, and, if he is to thrive something toward the reduction of the principal. I would like here to quote with approval from the address of Mr. S. R. Parsons, president of the Canadian Manufacturers' Association, published last July: "There is only one way to pay off our accumulated debts, and that is by producing in field, forest, mine and factory all that we possibly can, and selling these products at as high a margin over the cost of production as we are able to secure."

Meeting the Interest

This task of paying interest on our foreign indebtedness will be no light one. I am advised by Mr. Coats, Dominion statistician, that at present our national debt is upwards of twelve hundred millions, while our commercial indebtedness, owing in London, New York and Europe, is approximately thirty-one hundred and fifty millions. Thus we have approximately forty-three hundred millions on which we must pay interest at, we may safely assume, not less than 4 per cent. Our interest charges then, payable abroad, will be approximately and conservatively, one hundred and seventy millions per annum. Prices must, in the nature of things, soon recede to something like pre-war levels, if not to levels considerably lower. To see how serious this interest charge is we have only to consider that in the three years immediately preceding the war our total foreign exports were:

1911	$207,196,000
1912	315,317,000
1913	393,032,000

It does not tend to reassure us either to find that in these years our imports were nearly double our exports. However, now that we are able to accomplish the almost impossible feat of cutting our imports down to one-fourth of our pre-war imports or approximately to one-half the value of our exports, we find that unless we can vastly increase our production our exports will not exceed our imports by enough to pay our interest charges, let alone making any reduction on principal. The man who cannot meet his interest charges speedily [illegible] bankrupt, and the nation whic[illegible] meet its obligations likewise faces national bankruptcy, with all its unpleasant circumstances of a depreciated currency, shrinkage in bank deposits loss of foreign trade, and, last but not least, the loss of that floating population which constitutes so large an element in our towns and cities, and which, when the hard times incident to partial or complete national bankruptcy come, promptly decamps, leaving behind it empty houses, depreciated real estate, ruined businesses, and general financial wreck. This possibility, which is unfortunately a very real one for Canada, we must face with fortitude, resourcefulness, and above all, with common sense.

In considering this most serious problem let us always remember two or three things:

Points to Consider

1. That shortly we must expect the abnormal conditions incident to war times to cease, war industries to close down (as indeed many of them have already done), and the prices of commodities to drop from the abnormal levels of the last four years to normal, or even subnormal levels. We will be unwise as a people, as we will be unwise as individuals, if we lay our plans on the basis of prices due to war times. We must lay our plans as prudent citizens and individuals on what we may expect at normal times.

2. That our foreign indebtedness being, as it were, crystallized in terms of money, we must be met by the export of commodities, and that, as the prices of commodities become less, it will take relatively more of them to meet these obligations.

That is, we do not owe wheat, we owe money, and that will not change: if we owe $100 now we will owe $100 after 5 years, when wheat is perhaps only a third of what it is worth now.

3. That only those commodities which we can produce and sell at a profit, that is, where the cost of production in Canada is less than the selling price in the markets of the world, are of any value in paying off our debt, or in buying those things which we must have from abroad.

That will be clear from the story of the old lady who conducted a thriving business in oranges which she bought at a shilling a dozen and sold for elevenpence, and who said she could not live if it were not for the roaring trade she did. Well, that kind of business does not appeal to me or any sensible man. Only those things which we can produce at a cost less than we can sell them for are of any use to us. You will not get rich if you are producing hogs at 15c a hundred and selling them at 14c.

4. That to produce commodities for ourselves which we can more cheaply buy abroad must necessarily result in diverting capital and labor from profitable industry to unprofitable, as well as burdening profitable industry with the extra cost of the commodities produced.

The Farmer and Production

Let us illustrate. We as farmers are producing farm produce for a living. We could grow oranges if we chose, but they would cost us far more to grow than we could buy them for, and a man who would produce oranges for himself and his family would of course be a fool, spending his time tinkering over those oranges when he ought to be producing hogs. The same thing applies to a country. If we as a country produce things for ourselves which we could more cheaply buy abroad we are wasting our time. There is only one exception to this, and that is the case of those things which are absolutely essential to our existence; we might produce them even at a loss in order to have them. But if we produce ordinary things which we could more cheaply buy abroad, the taking of men and money from those things that could be made at a profit and putting them on those things which are made at a loss would work out so that the more we did the poorer we would be.

Bearing these four points in mind, it becomes clear that, as in the time of war just past, it was the part of wisdom to close down or restrict all unessential industries in order that our energies might be devoted to those necessary to the winning of the war, in the time of reconstruction, when our chief business will be to meet our obligations and maintain our solvency, it will be absolutely necessary to see that unprofitable industries, that is, those that cannot produce as cheaply as their products may be sold for in the world markets, do not become a clog to profitable industries, that is, to those industries whose products we may hope to sell in the world market at a profit. These considerations at last bring us to the discussion of that vexed and vexing question, the tariff.

A Tariff Crank

I might as well say that I am a crank on the tariff. I have been fighting the protectionist for the last thirteen years. During that time I have seen some progress made. I have suffered somewhat personally. I had hard knocks, and I think I have been able to give some hard knocks—thanks be for that. This question is at the present time a very live question. It is a question which has now to be fought to a finish. It is not a question of the farmers' seeking; we have laid it aside during the war, but while the war was on our opponents, the manufacturers and the Industrial Reconstruction Association, have brought it forward and made it a propaganda, and we must remember that now we cannot shelve the question. It has been put before the people of Canada by a powerfully backed propaganda for the last six months. We must meet it fairly and squarely, and solve the tariff question. In discussing that question I am not going to ask favors for the farmers of Canada, but I am going to show that unless we get fair play, not only we. but the country as a whole, will suffer.

What is the tariff? It is an import tax levied on goods entering a country. I may say that the word "tariff" comes from a place named Tariffa. I am informed that in the old days of Mediterranean trade the coast was infested by marine pirates who sailed out from their port of Tariffa and levied toll on the passing merchant ships. It describes the process pretty thoroughly and accurately in the present day. It is a word that has amply lived up to its origin and antecedents. Where these goods are actually imported, the amount of the tax goes to swell the revenues of the country, and in this case the tariff is properly a "revenue tariff." It must be borne in mind, however, that the tax is paid by the people of the country into which the goods enter, and who ultimately consume them, and not by the "foreigners" as the advocates of protection have so often claimed.

The price, for instance, of a piece of Scotch tweed in Toronto, will be, to the ultimate purchaser, a sum made up in something like the following manner: Cost of manufacture in Scotland, plus freight, plus customs duty, plus reasonable profits, wholesale and retail.

A few years ago I had an interesting debate with Mr. T. A. Russell, and we had the articles on the platform with the prices marked, and we could see, in the flesh, as it were, the working out of this economic law. The people who ultimately consume

Continued on page 15

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Province of Quebec

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These Bonds are not subject to the duties imposed by the Province of Quebec Succession Duties Act.

Subject to Legal Opinion—Smith, Markey, Skinner, Pugsley and Hyde

These bonds and the interest thereon are a direct and primary obligation of the Province of Quebec.

FINANCIAL STATEMENT

Population, 1911, 2,003,232
Estimated, 1918, 2,305,754

Assessed Value of Taxable Real Estate		$1,285,516,644
Total Funded Debt		39,462,996
Less: Sinking Fund	$1,645,058	
Other Assets (Net)	5,312,922	
		6,957,980
Net Debt		$ 32,505,016
Assets of Province		518,221,000
Annual Value of Manufactures and Primary Products		554,499,000

Area of Province—450,337,761 acres or 703,653 square miles.

Price: 85.91 and Interest, yielding 5½%

Engraved bonds will be ready for delivery on or about January 20th. Orders may be telegraphed or telephoned at our expense.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

SERVICE APPRECIATED

Editor, The Financial Post.

Sir:—I am in receipt of your letter, containing a further report re my inquiry as to Mackay stocks, for which I am greatly obliged. The service that you are rendering your subscribers is invaluable. Again thanking you, I am, yours truly,

"BRANTFORD."

Jan. 16, 1919.

DAVIDSON GOLD MINES

F.F., Prescott:—"Will you kindly give me what information you can about Davidson Gold Mines? I have some stock in the company and would like to be advised as to their standing and way of doing business."

Davidson Gold Mines lies to the northeastward of Hollinger and McIntyre and the veins which cross the latter properties are said to extend through the former. Those back of the company express unbounded confidence in its future and apparently have had little difficulty in raising the capital necessary to bring the mine to the producing stage without incurring a debt. It is expected that the mill will be running very soon. Its initial capacity is 60 tons per day, while an enlargement is under way which will bring the capacity up to 150 tons. In the meantime, the steam plant has been suspended by hydro-electric power which conduces to greater efficiency. The shaft is down to 508 feet and plenty of paying ore is in sight. The labor situation is satisfactory and hopes are freely expressed by the management that the mine will be placed on a dividend-paying basis this year. The recent appointment to the position of manager of N. J. Everd, who has had experience in gold mining in New Zealand and who was sent to Canada to handle the North Thompson mine, is regarded as a favorable factor.

KEEP INFORMED

Investors will be interested in our new Booklet of Investment Securities. Among other valuable information, it contains latest available earnings, financial position, etc., of many of Canada's most prominent industrial enterprises.

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FIRE INSURANCE COMPANIES

T.N.C., St. John's, Nfld.—"Would you please give us as near as you can the financial standing of the following insurance companies: Caledonian, Franklin, Insurance of North America, Liverpool and London and Globe, London and Lancashire and North British and Mercantile?"

Caledonian Insurance Co.—This is the oldest Scottish insurance company and transacts life, fire, liability, burglary and personal accident business. It has a paid-up capital of £107,000. Fire premiums in 1917 amounted to £547,150; fire losses to £293,372; expenses to £195,428. Interest earnings in the fire account amounted to £13,077. A sum of £55,473 was transferred to [illegible] loss and the fire funds at the [illegible] of the year amounted to £386,031. After provision for dividend, a balance of £124,146 was carried forward to 1918 in profit and loss account. The total assets of the company at December 31, 1917 were £4,542,849. It is a strong company.

Franklin Fire Insurance Co.—This is an American Co., with the same offices as the powerful Home of New York Insurance Co. It has a capital of $500,000; a surplus of approximately $500,000 and an income of $1,147,000. It, too, is a strong company.

Insurance Co. of North America—This is another American company. It has a capital of $4,000,000; a surplus of $8,000,000 and an income of $21,000,000, placing it among the largest institutions of the kind on the continent.

Liverpool & London & Globe.—This company, with head office in Liverpool transacts fire, life, marine and accident business. It has an authorized capital of £3,000,000; a subscribed capital at Dec. 31, 1917 of £2,655,250 and a paid-up capital of £265,525. In the fire department operations are world-wide in scope. In 1917, fire premiums amounted to £3,557,410; losses to £1,918,910 and expenses to £1,209,582. Departmental interest earnings were £98,004. There was transferred £409,201 to profit and loss bringing the fire fund up to £2,442,964. Total assets amounted to £16,000,793. The company is in a very strong financial position.

London & Lancashire Fire Insurance Co.—This company's chief office is in Liverpool. The subscribed capital is £3,132,825, of which £313,28[illegible] was paid up at December 31, 1917. The fire premiums in 1917 totalled £2,113,560; losses, £917,764; expenses £729,874. Interest on the fire fund were £52,982. The sum of £434,903 was transferred to profit and loss, the departmental fire fund amounting to £1,245,500. The company also transacts marine and accident insurance and had assets at the end of 1917 of £9,016,116.

North British & Mercantile Insurance Co.—This company's head office is in London. It has an authorized capital of £6,000,000; a subscribed capital of £4,500,000 and a paid-up capital of £2,437,500. The company is one of the most important of British companies, both as regards fire and life insurance and enjoys a world-wide reputation for financial strength. In 1917 fire premiums amounted to £2,856,402; losses to £1,917,200 and expenses to £1,019,417. The losses were much above the average on account of the Salonika conflagration in which the company was heavily involved. To make up the underwriting deficiency £217,365 was transferred from profit and loss. The total fire reserves at the end of the year were £2,692,561. Total assets were £27,354,083.

EXCESS PROFITS TAX

D.M. Co., Montreal:—"Could you furnish us with terms of excess profits tax for 1918 covering limited liability companies capitalized below $50,000?"

The 1918 amendment to the Business Profits War Tax Act, 1916, provides that companies, whether incorporated or not, having an invested capital of $25,000 and up to $50,000, shall pay a tax at the rate of 25 per cent. of all profits for the accounting period ending in 1918 in excess of 10 per cent. per annum on the capital employed.

LIBERTY BONDS

R. A. R., Toronto—Can you give me definite particulars as to the exact dates upon which the various War Loans in the United States are due?

The following schedule replies to your question. It covers the seven issues embraced in the four Liberty Loans.

15-30-year first Liberty Loan (convertible) gold 3½s, payable June 15, 1932-47. Interest payable June 15 and December 15.

10-25-year second Liberty Loan (convertible) gold 4s, payable November 15, 1927-42. Interest payable May 15 and November 15.

10-year third Liberty Loan (non-convertible) gold 4¼s, due September 15, 1928. Interest payable March 15 and September 15.

15-20-year fourth Liberty Loan (non-convertible) gold 4s, payable Oct 15, 1933-38. Interest payable April 15 and October 15.

CANADIAN PACIFIC

F.F., Prescott:—"What do you people think of C.P.R. stock as a purchase at present prices?"

With regard to C. P. R., there are so many uncertainties ahead both with ness, the competition of Government-owned lines, the spread of the Government-owned lines, the spread of the government ownership idea, etc., that it is impossible to predict which way the stock will likely move. Of course the fact that it is selling on about a 6¼ per cent. basis at present is fair indication that there is a good deal of confidence in the position and prospects of the company. While we regard C. P. R. shares as a good investment, its speculative possibilities are no longer what they used to be.

INTERNATIONAL CEMENT

H. P., Hull—Can you give me any information on the market for International Portland Cement (Washington)?

So far as we can discover the shares of the International Cement Company (of Washington) are listed only on the Boston Exchange of the American markets. During the week ending January 20, 100 shares of the common stock sold at 5½ indicating an advance of ⅝. There were no sales recorded of the preferred and we note no transactions since the week of December 16 when 15 shares sold at 23 or a decline of ½ a point from the previous. In November the common sold around 7 and in December around 6.

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

LET US TALK OF SOMETHING ELSE

Winnipeg *Telegram*

Mr. J. R. Murray, acting-manager of the United Grain Growers, Limited, at the convention of the Grain Growers' Association at Brandon, is reported to have said that the chief interests of the farmers' organizations are not in the commercial end of their business, but rather in the larger field of politics.

This is a pretty shuffle!

The Grain Growers' Association was organized for the purpose of giving the farmers a square deal. The Grain Growers' Grain Company—the parent of the United Grain Growers, Limited—was organized to prevent the exploitation of the farmers by the Elevator Combine of the past.

To-day the United Grain Growers, Limited, instead of performing the functions for which the parent company was organized, has fallen into the very practices that made the old Elevator Combine intolerable—and its manager informs the farmers that their most important interest is politics, not the proper handling and marketing of their grain!

"Politics, politics, politics! That is about all we ever hear from the officers of the United Grain Growers, Limited. That is about all we ever see in their official organ.

Why?

Politics is a very distracting subject. It is easy to start a political controversy that will cause all other subjects to be put aside and forgotten. You can talk so rapidly and heatedly on politics that the other fellow will not have time—even if he should not forget his desire to do so—to ask you for the payment of the bill you owe him.

The United Grain Growers, Limited, in common with the old line elevator companies, piles up an enormous average year after year. It does not belong to the company—yet the company takes it, and the shippers from whose grain it was accumulated do not get the returns.

The members of the Grain Growers' Association are beginning to understand this ugly fact. They are becoming restless. They will soon become more restless.

In such circumstances it is not surprising that the active manager of the United Grain Growers, Limited, and the company's newspaper organ, should throw out a smoke screen of politics for the purpose of discouraging too minute investigation.

Don't devote your attention to such sordid matters as trading in grain, says Mr. Murray, in effect. Let's talk of something else. Look at the iniquities of the customs tariff.

Well, there are some iniquities in the customs tariff—and they should be discussed and removed—but neither their existence nor their discussion should be permitted to take the farmers' attention away from the harsh and incontrovertible fact that they are being systematically bled white by the terminal elevators—or from the further fact that the United Grain Growers, Limited, is as guilty as any of the private cocmpanies that the original Grain Growers' Grain Company was organized to fight in the interests of the producers.

This smoke screen camouflage will not work.

DO MANUFACTURERS WANT FREE TRADE?

Montreal *Herald*

Considerable discussion has been raised in Toronto by a special despatch from Ottawa suggesting that certain manufacturers have been converted to the idea of free trade between Canada and the United States because this would give them a much larger market for their products. The despatch reads in part:

"Conversation with a number of manufacturers, as they come and go in the capital, shows this question being raised with interesting frequency—why should Canadian industry be limited to a market of seven million people? Why shouldn't it 'have a try' at the States, with its additional hundred million?

"These men realize that to secure access to the American market, the Canadian market would have to be thrown open to competition from the South. This prospect isn't the bogey it was before the war. Canadian industry, in a supreme emergency, surprised even itself by its flexibility and efficiency. With such qualities, why should it fear American competition, or at any rate, why shouldn't it face this competition for the sake of the tremendous new and contiguous market which would be opened up?

"At present, it is only the larger manufacturers whose thoughts are even turning in this direction, but it is predicted that smaller men, too, will see that the new system ultimately would benefit them.

"One powerful argument against free trade in North America is the temporary dislocation which almost certainly would ensue, and which, it is feared, would ruin smaller Canadian firms.

"If this first period could be passed safely, the net result, it is claimed, would be of very great advantage to the country and to all those engaged in its business, manufacturing or commercial.

"It is not only that Canadians then would have a market of 110,000,000 on this continent instead of 7,000,000. American manufacturers also would be attracted to the southern fringe of Canada, which offers water powers and other natural inducements, and which has the additional lure of being a ccomparatively virgin fielld. They could supply New Orleans and San Francisco from Welland as well as from Buffalo. Now, from Welland, they would only supply Canada.

"Under free trade, after the preliminary time of adjustment, its advocates claim that the southern belt of Canada would become as thickly populated as the northern section of the States, and that the general prosperity of the country would be increased tremendously.

"This is not a practical issue to-day, but its appearance, even as a possibility, in the mind of certain ambitious Canadian manufacturers, may be the germ of an idea that will grow."

Naturally Toronto attaches a good deal of mystery to this despatch. This mystery is deepened by the fact that nobody knows where the present Cabinet stands in relation to the tariff. The manufacturing interests will certainly strongly oppose any reduction of the tariff, but will they be strong enough to stand against growing demand for lower tariffs from the combined labor and farming classes? The subject will possibly be among the first to come up for discussion when Parliament opens.

LETTERS TO EDITOR

GOVERNMENTS AND PEOPLES

Editor, THE FINANCIAL POST,

Sir:—The article written by T. M. Fraser, entitled "The Menace of the Bolsheviki" and adds "Never has there been a time when it was more important that industry and workers pull together."

Both classes represented above are human beings, both classes endeavoring to reach a state of civilization such as that intended should exist on the earth. Is any other condition worth striving for?

If any nation on earth could make a success of the other course the Germans seemed to be that nation, and where has it all ended. A leading German is quoted in the daily press as stating that Germany is ruined for a thousand years, and it is questionable if its character will be washed clean in that time. Now that we have seen the mighty forces of justice, righteousness, and truth which is divine and not human forces, prevail against all that is opposed to it, then is it not folly to attempt to accomplish anything, with any orther principle dominating. Lloyd George put it right when he said "are we to lapse back into our political animosities, and rivalries, or are we going to initiate the reign on earth of the Prince of Peace."

To quote from the article of T. M. Fraser, he states, "The whole social revolutionary movement which is more or less in evidence all over the world, not only in those countries where the government is autocratic, such as it was in Russia, but that it is found in the United States and Canada. This shows that there is a great number of people all over the world that is "looking for a new earth in which dwelleth righteousness."

The question is what is the remedy. The attacks seem to be upon the governments. There is some force in their charge that the governments of all countries play into the hands of the already strong and neglect the weak. The governments are too often made up of greedy office-seeking politicians, instead of real statesmen. They too often delegate the work to irresponsible and inefficient commissions where the interests of the people are grossly neglected and if complaints are made they have been provided with a handy weapon for their own defence in the form of a fine or penalty for daring to talk back or demand justice. When the common people's rights are suppressed, it generates pressure, and is bound to explode in some hideous form.

The many mushroom formed, inexperienced, and inefficient controling bodies have done more to oppress the middle class and the working class by their pin-headed regulation than anything else. Power placed in hands of lightweights is a dangerous thing, and the people do not like to be lorded over by such a class. The people elect their members of parliament to legislate in the interest of all the people, and if they fail to measure up they can be removed by the electorate. Governments too frequently forget that the real government lies in the people and that they are elected to do the will of the people. One has but to look at the reports of the stock exchange for the past four years to see if there has been a fair distribution of justice to all and favors to none.

Why are the farmers up in arms all over the country, if justice to all is the controlling factor in our governments. These men as a class are the last to move to assert their rights. It is clearly seen that the time has passed for corruption to thrive unmolested. The world is demanding to be put on a basis of righteousness and justice and anything that stands in opposition to this principle must and will be pushed aside. Lloyd George sees the vision, when he said to the newly elected Parliament of a recent date, "You must fulfil every promise made to the people or I will resign and go back to the people again for their mandate. Lord Northcliffe saw the vision when he warned Lloyd George, (which was unnecessary) that unless he announced a programme of drastic and penetrating strength, his Government need not expect support from the Northcliffe press. This journalist demands a ruthless scrapping of old policies and old politicians at the inauguration of a new era of peace and progress.

The sentiments expressed by Lord Northcliffe in this instance belong to that body of opinion which favors with peculiar heartiness the closest co-operation of all freedom-loving and honor-loving peoples.

Is it possible to have lasting peace until the principles of lasting peace are complied with?

Yours truly,

S. M. S.

Exeter, Ont., Jan. 11, 1919.

PERSONAL

J. K. FRASER has been brought back from the Canada Cement Company to take the position of superintendent of the Dominion Steel Corporation plant at Sydney. Mr. Fraser was formerly open hearth superintendent at Sydney, but left to join the staff of the Canada Cement Company, in a similar position.

Victory Bonds

(all issues)
1922-1923-1927-1933-1937

Bought-Sold-Quoted

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John Street, Montreal
Central Chambers, Ottawa

J. A. ECCLES, a member of the Boston office of Harris, Forbes & Co., investment brokers, will act as manager of the Montreal office and its business in Canada during the absence in Europe of Ralph A. Stephenson, the present manager. Mr. Eccles has had a fairly wide experience in this country through travel in Canada out of the Montreal office three years ago.

CAPTAIN ROBERT DOLLAR, of San Francisco, has been elected a director of the Asia Banking Corporation. Among the stockholders of the corporation are the Guaranty Trust Company, the Mercantile Bank of the Americas, the Anglo & London-Paris National Bank of San Francisco, the First National Bank of Portland, Ore., and the National Bank of Commerce, of Seattle. Branches of the corporation in the Far East will be opened at Shanghai, Peking, Tientsin, Hankow, Harbin and Vladivostok.

J. F. M. STEWART, whose election to the directorate of Murray-Kay, Limited, Toronto, was recently announced, is rapidly qualifying himself for a conspicuous position in the next directory of directors. He has now a round dozen of memberships to his credit and there are doubtless more coming, as his qualifications become increasingly appreciated. Among the companies with which Mr. Stewart is now associated as director are the Chartered Trust & Executor Co., Montreal Transportation Co., James A. Ogilvy's, Limited, Point Anne Quarries, Limited, Miller Cartage Co., Port Credit Brick Co., Provincial Stone Co., Halifax Shipyards, Limited, North American Arms Co., M. J. Haney Realty Co., Reynolds' Timber, Shipping & Insurance Agency. Mr. Stewart has just celebrated his fortieth birthday.

ARNOLD M. IVEY, who has succeeded his father, the late John D. Ivey, on the board of the Trusts & Guarantee Company, is now head of the wholesale millinery firm of the John D. Ivey Company, Limited, Toronto. Mr. Ivey has been associated with this business for many years and to him personally must be attributed much of the credit for having placed the business on that high plane of quality for which it holds a national reputation. Mr. Ivey is a public-spirited young man. He has been active on the Toronto Board of Trade and has taken a keen interest in the work of the Toronto Housing Co., of which he is now president.

The Continental Life Insurance Company

ANNUAL REPORT, 1918

YOUR Directors beg to submit for your approval their Annual Report of the operations of the Company for the year 1918, a memorable year in the history of the world

Insurance.—Despite the war and its influences, your Directors are able to report the largest amount of new insurance in one year in the history of the Company. The applications for new insurance and revival of policies amounted to $3,094,730.00. The insurances issued and revived totalled $2,946,762.00 and the insurances in force at the end of the year amounted to $12,786,784.00, a gain of $755,633.00. The annual premiums on the business in force are $473,854.96.

Income.—The net premium income after deducting premiums paid for reinsurances was $444,401.93 and the income from other sources $110,270.87, making the total income for the year $554,672.80.

Payments to Policyholders.—The payments to policyholders, including death claims, matured endowments, dividends on policies and surrender values reached the total of $246,428.77. In common with all other Companies, this Company suffered heavy losses during the year from the influenza epidemic and war claims, the total death claims reported being $150,120 of which $64,500 were from influenza and $40,650 were war claims.

Reserves.—The net reserves held by the Company for its policy liabilities now amount to $2,200,828.00.

Assets.—The assets of the Company, including first mortgages on real estate, policy loans, bonds and debentures and the Company's Head Office Building amounted to $2,515,304.98 at the end of the year.

Progress.—A comparative table follows summarizing the progress of the Company:—

	Net Premium Income	Income from Investments	Death Claims Accrued	Total Assets	Reserves	Insurance in Force
1900..	$ 15,050	$ 1,612	$.......	$ 79,925	$ 17,321	$ 705,200
1902..	78,208	5,436	7,329	259,439	128,831	2,704,467
1904..	127,631	12,402	15,750	408,202	269,342	4,053,556
1906..	153,879	17,268	29,470	574,760	426,592	4,774,022
1908..	179,016	34,618	19,000	836,586	624,153	5,487,697
1910..	208,028	50,538	12,500	1,084,822	831,820	6,367,883
1912..	271,722	70,286	29,500	1,462,367	1,126,872	8,523,584
1914..	313,003	96,419	56,800	1,849,209	1,464,524	10,122,943
1916..	362,363	97,990	98,350	2,220,166	1,873,424	10,565,849
1918..	444,402	110,271	150,120	2,515,305	2,200,828	12,786,784

The usual audit of the Company's Books has been made throughout the year by Major G. U. Stiff, F.C.A., and T. Watson Sime, F.C.A., whose report is appended to the Balance Sheet.

GEORGE B. WOOD, President

Æmilius Jarvis & Company
Members Toronto Stock Exchange
Invite you to correspond with them on all matters relating to
CANADIAN GOVERNMENT, PROVINCIAL and MUNICIPAL BONDS
Established 1891
Jarvis Building, 103 Bay Street, Toronto

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When a man or woman finds himself or herself unexpectedly burdened with financial responsibility, or with the care of an estate, it is a relief to know that the Toronto General Trusts Corporation will take this responsibility and is qualified and authorized to administer their finances or their estate in their stead with the utmost efficiency. Full particulars and literature on request.
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AMERICAN BANK NOTE COMPANY
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OTTAWA
Branches:
TORONTO MONTREAL WINNIPEG

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Financial Agents and Investment Brokers
Dealers in Municipal and School Bonds
112 St. James Street MONTREAL

Wanted
PROVINCE OF BRITISH COLUMBIA *and* CITY OF VANCOUVER BONDS
Short date preferred. Wire quantity and price.
ROYAL FINANCIAL CORPORATION LIMITED
Suite 703 Rogers Bldg., Vancouver, B.C. — Capital Paid up $566,220.32 — E. B. McDermid, Managing Director

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Authorized Capital - - $2,000,000.00
Subscribed Capital - - 1,000,000.00
Paid-up Capital - - 247,015.79
General Fire Insurance Business Transacted
Theodore Meunier, Manager

SPECIALISTS IN BUSINESS PROBLEMS
Ou staff of experts can remove the cause of your worries. They specialize in all branches of business efficiency including—
ORGANIZATION, PRODUCTION, ACCOUNTING, COSTS, SALES, STANDARDIZATION SYSTEMS.
THORNE, MULHOLLAND, HOWSON & McPHERSON
Bank of Hamilton Building, Toronto, Canada

Your Income Feels
the effects of important events upon business conditions in Canada. Whether you are an investor in Canadian securities, or a business man conducting your concerns for profit, knowledge of Canadian conditions and all that affects Canadian conditions counts for cash to you. From the press you learn what is happening in the Dominion, but you would have to wade through masses of print to get every aspect of the events you know are bearing upon your financial interests and the daily papers, edited for masses, cannot take space to analyze business conditions. A concise analysis of the situation would save you time. You can get that from THE FINANCIAL POST OF CANADA. Editors who are specialists in discovering and presenting readably the pith of affairs affecting Canadian business. These experts are at your service in THE POST. Let them save you time and perhaps money, also. Send for a trial subscription to THE POST. Pin a dollar bill to this ad. and mail it with your name and address for a four months' subscription to
THE FINANCIAL POST OF CANADA
153 University Avenue, Toronto

NEWS OF THE BOND MARKET

SCARCITY OF NEW ISSUES IS STILL MARKET FEATURE

Bonds Coming Out Are Still Being Readily Absorbed

WEEK'S BUSINESS

Several Issues Are Floated at Good Strong Prices, and Competition is Pretty Keen

The Canadian bond situation is still characterized by the scarcity of issues and bond houses are all reporting that they are experiencing much difficulty in securing bonds to offer their clients. The belief continues to be expressed that there will be plenty of new issues within a few weeks' time, though there is a certain amount of scepticism about this. Such bonds as are coming out are being rapidly absorbed. The market generally is quiet and there does not seem to be quite the demand that was noticeable earlier in the month.

U.S. Market Weaker

The market for municipal bonds in the United States is at present rather weak and this the "Bond Buyer" of New York attributes to a superfluity of new issues. The "Bond Buyer" sums up the situation after this fashion:

"That municipal bonds are not acting just right, is the complaint of the bond dealers in New York in the last week or so. Bids fade away when the seller appears with bonds in hand and prices are consequently not being sustained.

"Perhaps between this reaction in values and the large number of issues either announced for sale or scheduled for an early offering to the public there is some connection. With this thought in mind, we have run back over the files and find that, in contrast with the last few months, new financing now under way, about which reports have reached financial circles in the last two weeks, runs into quite a formidable total. Here are a few of the more important items:

(The "Bond Buyer" then quotes a list of prospective issues running into the hundreds of millions.)

"The above list, be it remembered, does not inlude any issue sold in the last two weeks. Of course, many of these items are only being talked about, but there are unmistakable signs at this time that indicate a tendency on the part of municipalities to go at public improvement work in a big way. Possibly they have caught the fever from the Government at Washington and, with the example of the Liberty Loan ever before them, they are a bit too ambitious in their contemplations regarding good road bond issues and city plans involving, as we understand St. Louis' plan does, the expenditure of scores of millions of dollars."

Ontario Bonds Placed

The first important transaction of the National City Company since opening its Montreal office, has been the purchase of $3,000,000 three-year, five per cent. gold bonds of the Province of Ontario. Associated with the National City Co. are Harris, Forbes & Co., and the Equitable Trust Co. The bonds, which bear date January 1, 1919, were offered in Canada on Wednesday at 99.50, at which price they yield 5.20 per cent. It is understood that the price at which they were offered in New York was 5⅞ per cent., the difference being due to the exchange.

Yorks Sell Well

Conspicuous among transactions of the week was the sale on Monday of an issue of Township of York bonds These consisted of $75,515, 10-instalment, 6½ per cent. debentures issued on waterworks account. The successful tenderers were Aemilius Jarvis & Co., who offered 103.95, at which price the money costs the township about 5¾ per cent. There was a long list of tenderers, ranging as follows:

A. Jarvis & Co.	103.95
C. H. Burgess & Co.	103.71
McDonagh, Somers & Co.	103.517
Housser, Wood & Co.	103.487
Toronto Mortgage Co.	103.44
Wood, Gundy & Co.	103.32
Brent, Noxon & Co.	103.276
Morrow & Jellett	103.27
Can. Bond Corp.	103.156
W. L. McKinnon & Co.	103.14
R. A. Daly & Co	103.075
R. C. Matthews & Co.	103.03
G. A. Stimson & Co.	103.02
Ames & Co.	103.00
Turner, Spragge & Co.	102.92
Dominion Securities Corp.	102.78

Pension, Bank of Commerce, 103.75 (for $25,000).

New Type of Issue

On Tuesday the Essex Border Utilities Commission placed its first bond issue, securing a price of $103.16 for $210,300, 6 per cent. 30-instalment bonds, a basis of about 5.70 per cent. The issue was awarded to the Toronto bond house of Morrow & Jellett and the tenders received were as follows:

Morrow & Jellett	103.160
Wood, Gundy & Co.	102.380
C. H. Burgess & Co.	102.170
Canada Bond Corporation	102.156
Æmilius Jarvis & Co.	102.130
Turner, Spragge & Co.	102.110
Mackenzie & Co. & Brent & Co.	101.810
R. C. Matthews & Co.	101,560
McKinnon & Co., Mulholland & Co.	101.483
A. E. Ames & Co.	98.590

The issue of bonds is rather unique in Ontario. The Essex Border Utilities Commission is a corporation created by special act of Parliament with power to construct sewers and provide a water supply for the municipalities of the City of Windsor, the towns of Walkerville, Sandwich and Ojibway, Ford City and Township of Sandwich West. These municipalities are liable for the cost of the work and the Commission has power to levy and collect taxes from them to meet the principal and interest of the debentures issued. The bonds are also a first lien on the properties and works for which they are issued. The security behind the Essex Utilities is thus rather unique and attractive.

Other New Issues

An issue of $11,300, 6 per cent., 15-instalment bonds of the town of Rainy River have been awarded to Brent, Noxon & Co.

The town of Uxbridge has disposed of its issue of $7,000, 6 per cent., 7-year serial debentures, approved by the ratepayers on January 6, to the vendor of the local electric light plant, for the purchase of which the bonds were issued.

BOND DEALERS' ANNUAL

Takes Place on Wednesday Next in Montreal.

The annual meeting of the Canadian Bond Dealers' Association is scheduled for next Wednesday and will take place at the Ritz-Carlton Hotel, Montreal. A meeting of the executive committee takes place on the previous day. Various matters of interest to the bond business are on the order paper for this year's meeting. It is expected that there will be a good attendance. At least 25 members will go down from Toronto, while several members from Winnipeg and other Western centres will be present.

JOIN BOND HOUSE

New Salesman Appointed by Mulholland, Bird & Graham.

The staff of the Toronto bond house of Mulholland, Bird & Graham has recently been strengthened by the addition of P. A. Wisener and S. B. O'Hara. Mr. Wisener, who has been lately connected with the American Ordnance Department and prior to that was with the National Fireproofing Company, will cover Eastern Ontario and, Mr. O'Hara, who was formerly manager of the stock and bond house of H. O'Hara & Co., will cover Western Ontario for the Mulholland firm.

BUYS CONVERSION RIGHTS

Morgan Heads Syndicate Underwriting Privilege for Maturing British Loan.

NEW YORK—A group of bankers, headed by J. P. Morgan & Company, have underwritten the privilege of converting into twenty-year gold bonds the outstanding two-year 5½ per cent. notes of the British Government floated in this country and due February 1.

The maturing notes are part of an issue of $250,000,000, of which $100,000,000 were paid off in cash a year ago. Since the signing of the armistice applications for the conversion of the notes into bonds have been received from the holders to the extent of $50,000,000, it is said, and the syndicate will take over the unconverted balance and exchange them for the twenty-year security. This is described as an entirely new departure in international financing.

REVIEW OF BOND MARKET

Dominion Securities Corporation Resumes its Annual Issue

The booklet issued each year by the Dominion Securities Corporation, containing a review by the Corporation's president, E. R. Wood, of the previous year's business in the Canadian bond market, together with statistical tables covering the borrowings of the year by governments, municipalities and corporations, was long regarded as authoritative in this particular department of finance. For a year or two past this useful service has been suspended but now it is gratifying to note that it has been resumed. The Corporation has issued a review for the year 1918, written by J. W. Mitchell, vice-president. This gives a very thorough summary of conditions as they affected the market during the past twelve months. The statistical tables will be found useful. The total borrowings for the year, as computed by the Corporation's statistician, C. P. Fell, amounted to $763,968,449, as compared with $756,346,033 in 1917 and $316,917,362 in 1916. Of this amount 94.87 per cent. was placed in Canada; 4.70 per cent. in the United States and .43 per cent. in Great Britain.

NEW PULP AND PAPER ISSUE ANNOUNCED

Brompton Pulp & Paper Co. Will Put Out a Million Dollars in 20-Year Bonds

At the annual meeting of the shareholders of the Brompton Pulp & Paper Co., to be held on February 4, authorization of an issue of $1,000,000, 20-year, 6 per cent. general mortgage bonds to finance the purchase of the mills of the Odell Manufacturing Co., will be asked. These bonds will be dated March 1, 1919, and interest will be payable semi-annually on March 1 and September 1 each year. The bonds will be secured not only by the Brompton property, but by the entire stock of the Odell Company and the Claremont Company.

The bonds will be offered for subscription to shareholders of record at the close of business on Jan. 25, 1919. Shareholders will have the right to subscribe for $100 of bonds for every nine shares of stock that they hold in the company, the subscription price being 80% of par and accrued interest, payable ten per cent. on Feb. 18, and the balance in nine equal monthly instalments. The right to subscribe will expire at noon of Feb. 18.

In connection with the offering, THE FINANCIAL POST is informed that more than half of the issue has already been taken up by the directors and a few of the shareholders. Under the by-law creating the preferred stock of the company there is a provision against the issue of any securities ranking in priority to the preferred shares. The shareholders, however, have given their unanimous consent to allow the new issue to rank in priority to their shares.

WELL-SECURED BONDS

Offering of Alberta-Guaranteed Railway Bonds at Price of 5¾ per Cent.

The Dominion Securities Corporation are offering a block of 4½ per cent. first mortgage coupon bonds of the Canadian Northern Western Railway Company, of which both principal and interest are unconditionally guaranteed by the Province of Alberta. Part of the bonds are due February 16, 1942, and part, October 22, 1943, and they are offered at a price to yield 5¾ per cent. It is stated, as showing the splendid security back of these bonds, that the entire capital stock of the Canadian Northern Railway System is owned by the Dominion of Canada and the road has been merged with other roads owned by the Dominion into the Canadian National Railways, thus in effect placing the credit of the Dominion of Canada behind these securities in addition to the guarantee of the Province of Alberta.

CHART REVISED

Kerr, Fleming & Co. Bring Information Down to Date

A useful service has been rendered by Kerr, Fleming & Co., Toronto, in bringing down to date their earlier chart on the various government and municipal bonds and notes foreign to the United States markets which have been issued there in the past three years. As a good many of these bonds found their way into Canada, there will be a certain number of investors in this country who will welcome the information. The principal changes in the chart are with respect to market prices. There is now given in order the issue price and issue yield of each security, the highest price recorded, the lowest price recorded and the price and yield at December 31, 1918.

RESTRICTIONS WITHDRAWN

All Victory Bonds Are Now on the Open Market

The last restrictions on the sale of Victory bonds were lifted this week, when the two 1918 issues were released from the control of the Special Victory Loan Committee. It was felt for some time back that this action would sooner or later be taken, and in view of the difficulty being experienced by the committee in filling orders, the present action was no great surprise. The latest committee prices on the 1923 maturity was 100½ to the buyer and on the 1933 maturity 102 to the buyer.

So far prices have held well. On Monday, on the Toronto Exchange, the 1923 bonds sold up to 101; on Tuesday the range was between 99⅝ and 100¼; on Wednesday between 100 and 100¼, and on Thursday between 99¾ and 100⅜, the lower prices being for bonds of small denominations. The 1933 issue sold between 101½ and 102 on Monday; 101⅝ and 101⅞ on Tuesday; 101⅝ and 101⅞ on Wednesday; and between 101⅝ and 101¾ on Thursday. Some fear is expressed that now that the incentive to bond dealers to sell Victory bonds is withdrawn, there may be a drop in prices.

R.C. Matthews & Co.
Government and Municipal Bonds
C.P.R. BUILDING
TORONTO

McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

Housser, Wood & Co.
Canadian Municipal Bonds
Union Bank Bldg. Toronto

VICTORY BONDS
even at advanced prices are still exceedingly attractive. We would appreciate being favored with your orders.
R. A. DALY & CO.
Bank of Nova Scotia Bldg.
TORONTO

W. L. McKinnon Dean H. Pettes
We will buy
VICTORY BONDS
Purchase price will be quoted on request.
W. L. McKinnon & Co.
McKinnon Building
TORONTO

J. A. Thompson
Government and Municipal Securities
We specialize in Western School and Municipal Debentures, also Saskatchewan Rural Telephone Bonds.
CORRESPONDENCE INVITED
Union Bank Building
WINNIPEG

Route Your Shipments
CANADIAN NATIONAL

FIELD OF MUNICIPAL FINANCE

MANUFACTURERS OF B.C. DISCUSS THE INCOME TAX

Prepare Memorial Dealing With Suggested Changes

UNIFY THE SYSTEM

Advocate That Federal and Provincial Taxes Should be Handled By One Department

VANCOUVER. — Suggested changes in the British Columbia income tax act were considered at a meeting last week of the B. C. Manufacturers' Association, the attorney-general, Hon. J. W. deB. Farris, being present. At the outset the chairman stated that there was a variance of opinion as to the interpretation of the act. If the province was to be built up, he said, it must be done through its manufacturers. Income taxes, minimum wage scales, etc., must be placed on a uniform basis in all of the provinces.

F. A. Brodie then read a memorial which had been prepared. While members were willing to contribute their just share of tax levies, it said, they were by no means prepared to concede that the existing heavy taxes (especially the income tax) were essential. Federal levies had no bearing on this province and it was considered that the Provincial Government had not as yet effected all the economies that it might and should and which would, if effected, tend to reduce taxation. It was essential to the existence of our industries that every possible encouragement and assistance be accorded them by the Government.

Wish For Unification

The memorial advocated that federal and provincial taxes be handled by one department under a unified system. British Columbia, it was stated, was not the only province in Canada levying an income tax but "our per capita tax is the highest in the Dominion." The feeling was general that business firms who prepare annual statements were paying more than their just share of taxes while many professional men, brokers, traders and farmers who kept no books could not readily be reached. Though the manufacturer experienced an annual loss, he was obliged to pay the personal property tax. Regardless of capital investment in a business, equal taxes on profits were demanded, no allowance being made as an exemption for a return on the capital invested. A graduated scale of from 7 to 10 per cent. was suggested to remedy this condition.

The document went on to criticize the increases in the income tax rate since 1916 in view of the fact that no return in capital is allowed as is done in the Federal Act. Clause ten provided no allowance on interest on borrowed capital, while if the capital be borrowed within the province, exemption was allowed. This was claimed to be a discrimination against the manufacturer and a deterrent to industrial growth. Exception was also taken to the clause which barred from exemption depreciation, renewals or repairs and arguments were advanced as to their inclusion. Officers' salaries and sinking funds and bad debts reserve were also commented upon. In conclusion the memorial stated that its purpose was to point out "the inequalities and absurdities in the act as it now stands and with a view to assisting the Government in evolving a more perfect and equitable system."

Attorney-General Replies

Mr. Farris outlined the many financial difficulties facing the Government and said that the industrial development of B. C., along with the settlement of lands, was the ultimate solution of the problem. The financial situation of the province was gone into in some detail, but the subject was one not only for the Government but every citizen within its borders. There were two things to be considered; first, is the money needed? and second, was the Government adopting the best methods of assessing taxes in the province?

He said it was a matter of grave concern to the Government that the necessity did exist. There has been an annual expenditure of from $10,000,000 to $12,000,000 per year against a normal revenue of about $6,000,000 per year. The annual liability taken out of revenue in sinking fund and P. G. E. interest created an obligation of $3,024.000, in addition to which statutory obligations made a fixed expenditure of $5,871,000. A surplus of $9,000,000 in the bank in 1919 had been expended as well.

Had Reduced Expenses

Since the present Government had assumed office, there had been substantial reductions in expenditures. It had been criticized for the heavy cost of the civil service in connection with which he quoted figures. Business administration had greatly increased in cost during the last few years. Roads must be kept up. While a manufacturer could cut off any unprofitable branch of its business, the Government could not follow the same course. He would say without hesitation that every dollar of the income tax was needed.

The speaker then went on to outline the system of taxation in effect throughout the province. There had been some increases in the tax because the money was needed and this was the only means of securing it. The effort of trying to straighten out the financial affairs of the province, he was sure, had been responsible for the death of the late Ralph Smith.

Touching upon the taxing of monies brought into the province, he would say after having discussed the question with many men ,that he was not convinced the Government had taken the wrong attitude. Unless the money were taxed at its source, the Government would reap no benefit at all. Before capital was taxed, however, he believed there should be a fair margin of profit, a principle which the Government recognized.

QUEBEC HAS LARGE SURPLUS

Succession Duties Enable Government to Make a Fine Showing.

QUEBEC—The Provincial Legislature was opened on Tuesday of this week. When the provincial accounts are submitted by the treasurer, Hon. Walter Mitchell, a surplus of over two million dollars will be shown, this fine result being due very largely to the collection of large succession dues on the estate of the late Sir William Macdonald. The surplus will enable the Government to provide for less productive years to come, for there are no such large estates in prospect for the Government to levy upon.

The treasury will not only have to content itself without such large successions, but will have to provide for "dry" years in the sense that the large annual revenue from the liquor traffic will cease. This will not be seriously noted even in the session of 1920, for an end is not to be written on this kind of revenue until May 1st, 1919, and the financial year which closes on June 30th, 1919, is the one which is presented to the Legislature at its 1920 session, or even to a session held late in 1919, should there be two sessions in one year, as sometimes happens.

Liquor brought the Government for the financial year ending June 30th, 1917, a total of $805,904, made up chiefly of $244,789 from hotels, $214,217 from restaurants, and $236,918 from retail liquor shops, and the total to June 30th, 1918, is approximately the same, for while there was a reduction of 50 hotels and restaurants, and a larger number of retail shops in Montreal, the chief source of liquor revenue, the license on the remaining places was raised so that the Government would not suffer loss.

The Government will lose money through prohibition in a lump sum from the fact that some years ago, when the policy of cutting down the number of hotels and restaurants in Montreal, and the city of Quebec was adopted, the Government gave compensation to those who lost their licenses. The Government paid out the money, and has been recouping itself by special additions to license fees on places remaining. However, there is still a sum of $405,526 due the Government on the amount it paid out, and with no hotels in existence most of this will be lost.

RATEPAYERS OF HALIFAX VOICE DISSATISFACTION

Hold a Public Meeting to Discuss Civic Government

APPOINT COMMITTEE

Speakers Advocate Reforms, But it is Finallv Decided to Have Committee Study the Matter

Dissatisfaction with the Government of the city of Halifax found expression at a public meeting held recently in the Board of Trade rooms when a committee of three representatives of each of the six wards of the city was appointed to consider means for securing a more efficient administration.

The first suggestion was made by ex-alderman Kelly, that "in view of the critical state of civic affairs in city of Halifax, that the city charter should be revised, substituting for the Board of Control form of Government the so-called council manager form, and that the Nova Scotia Legislature should be petitioned to enact legislation to bring about such a change to become effective in time for the civic elections to be held in April."

In support of this resolution, Mr. Kelly stated that all corporations found a manager necessary, and Halifax was a corporation. "Experts cannot be elected; they have to be appointed," he declared.

Senator Power in referring to the old system of the "council-mayor" as he termed it, thought there might profitably be a return to this with certain modifications. The real trouble was that there was no "steersman" under the old system.

Several speakers advised against rushing to the legislature until a committee of citizens had looked carefully into the whole question, and this advice eventually prevailed. Criticism of the civic administration included streets, water supply, consequent danger of fire, and a "depleted treasury." There was a difference of opinion as to whether the manager of a city was a democratic official or not, but it was pointed out that often he was subject to recall.

John McKeen stated that when Toronto or Montreal were in civic difficulties such as Halifax was at present they engaged an expert, and with little trouble or expense Halifax could do the same. Some trained man should be placed at the head of affairs.

Mayor Hawkins in reply blamed the Council for refusing to spend the money on necessary improvements. The managerial system he declared was German anyway. Finally the following committee was chosen to investigate some plan for improving conditions; with the Mayor as a member ex-officio:

Ward One—A. H. Whitman, John McKeen, W. T. Allen.

Ward Two—F. A. Gillis, E. J. Kelly, J. J. Power.

Ward Three—J. W. Regan, F. W. Armstrong, W. J. Hopgood.

Ward Four—R. D. Guilford, A. D. Morris, P. E. Doyle.

Ward Five—Robt. Guilford, R. J. Flynn, J. T. Joy.

Ward Six—W. R. Scriven, M. Crowell, J. W. Gordon.

ALBERTA OFFERING

Twenty-year Bonds Sell on a 5½ Per Cent. Basis

The recent issue of $1,000,000, 5½ per cent., 20-year gold bonds of the Province of Alberta, which were purchased by A. E. Ames & Co., and Wood, Gundy & Co., were offered on Monday at part and interest, thus yielding 5½ per cent. In circularizing clients, A. E. Ames & Co. state that "it is being rapidly realized by investors that war-time prices will not be much longer available. This is especially true in connection with long-term government securities. The present issue of Province of Alberta bonds is a government issue of this type, combining many attractive features."

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose.	Purchaser.	Rate.	Term.	Amount.	Price.	Basis.
Jan. 18.	Saskatoon, City	Bond & Debenture Corp., Winnipeg	6%	15-yr.	$30,000	98.50	.....
Jan. 18.	Cabri, Town, Sask.	Local Sale	.....	.....	4,000	.....	.....
Jan. 18.	Saskatchewan, Phones	Various (see list above)	.....	.....	33,800	.....	.....
Jan. 18.	Saskatchewan, Schools	Various (see list above)	.....	.....	36,800	.....	.....
Jan. 18.	Sandwich, Township	A. E. Ames & Co.	6%	20-ins.	16,500	.....	.....
Jan. 18.	Whitby, Township	Kerr, Flemming & Co.	6%	20-ins.	13,500	101.31	.....
Jan. 20.	York, Township	Æmilius Jarvis & Co.	6½%	10-ins.	75,515	103.95	5.75%
Jan. 21.	Essex Border Utilities	Morrow & Jellett	6%	30-ins.	210,300	108.16	5.70%
Jan. 22.	Ontario, Province	National City Co.	5%	8-yr.	3,000,000	.....	.....
Jan. 23.	Rainy River, Ont.	Brent, Noxon & Co.	6%	15-ins.	11,300	.....	.....
Jan. 23.	Uxbridge, Ont.	Local	6%	7-ser.	7,000	.....	.....

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Feb. 7, Hawkesbury, Ont.—$109,000, in 6 per cent., 30-instalment bonds of the town of Hawkesbury. (See advertisement, page 6.)

Feb. 1, Province of New Brunswick.—$450,000, 5½ per cent., 15-year transferable debentures, dated February 15, 1919. (See advertisement, page 3.)

Jan. 27, Three Rivers. P.Q.—$40,000, 6 per cent., 10-year debentures of the school commissioners for the City of Three Rivers, P.Q., dated Nov. 1, 1918.—Arthur Nobert, Treasurer, Three Rivers.

BY-LAWS PASSED OR DEFEATED

Port Arthur.—$11,700 for purchase of fire apparatus, passed by the ratepayers, January 6.

Port Colborne.—$15,000 for the use of the school board passed by council, January 13.

BY-LAWS TO BE VOTED ON

Feb. 1, Croll S. D., Man.—$3,000 for the building and equipment of a school house.

DEBENTURE NOTES

Weston.—At a meeting of the school board with the town council on January 18, it was decided that the School Board should instruct their solicitor to draw up a by-law for permission to issue debentures for the building of a $60,000 public school and submit it to the council at the next meeting. A similar by-law was defeated at the polls on New Year's day by a majority of two votes.

Orillia.—In his inaugural address the Mayor stated that it would be necessary to borrow by issuing debentures in order to pave certain streets. The money, he said, should be borrowed for a long term, and the debentures should be sold to the citizens of the town and district.

Toronto.—The Board of Control has approved of the principle of selling city bonds over the counter to the people of the city, as suggested by Ald. Hiltz. At the same time Finance Commissioner Bradshaw was asked to report on the application of the principle.

SASKATCHEWAN

The following is a list of authorizations granted by the local Government Board from January 6th to January 18th.

Shooci Districts. — Beaver Valley, $1,000; Scalat, $2,000; Wysla, $2,000; Kemmel Hill, $3,500; Dixmude, $2,900; Aadia, $2,900; Montague, $2,950.

Rural Telephone Companies.—Northern, $19,800; Tipperary, $500 V;iewfield, $600.

The following is a list of debentures reported sold from January 6th, January 18th.

Rural Telephone Companies. — Ernscliffe, $200, to Mrs. Alma Gilbert; Luseland West, $1,000, Luseland East, $1,500, to W. D. Craig, Regina; Camberley, $3,700, Leipzig, $2,700, to Wood, Gundy & Co., Saskatoon; Ernscliffe, $100, to Alma Gilbert; Cotham, $1,350, Nay & James, Regina; X. Cutknife, $3,250, Western Canada Bond Co.; Winton Park, $2,500, to Harris, Read & Co., Regina; Echo, $600, to Henry Wohless, Langenburg; Rozilee, $7,100, to Nay & James, Regina; Kenaston, $4,000, to A. W. Steabner, Kenaston; X. Kansas, $2,500, to Western Canada Bond Corporation; Vawn, $3,200, to Nay & James, Regina.

School Districts.—Red Butte, $2,500, to Waterman-Waterbury Mfg. Co., Regina; Rockside, $600, to Can. Landed & National Invest., Winnipeg; Gumbo Flat, $2,500, Beaver Flat, $3,000, to Waterman-Waterbury Mfg. Co., Regina; Waldheim. $18,000, to Harris, Read & Co., Regina; X. Lonesome Pine, $1,200, X. Silver Cliff, $1,500, to Wood, Gundy & Co., Saskatoon; Wolseley, $7,500, to Several Purchasers.

City of Saskatoon.—$30,000, to Bond & Debenture Corp., Winnipeg.

Town of Cabri — $4,000, to Louis P. Sinard.

BOND SALES

$3,025 Asbestos at 80 to 77; $25,500 Can. Bread at 95 to 93; $500 Can. Cement at 98; $3,500 Can. Cotton at 81 to 80; $16,000 Can. Locomotive at 91½ to 91; $5,500 Cedar Rapids at 87⅛ to 87; $15,000 Dom. Iron at 88½ to 87¾; $5,000 Dom. Textile "C" at 97⅛; $500 Montreal (1922) at 101¼; $31,100 Montreal (1923) at 100½ to 100; $83,800 Montreal Trams. debs. at 74 to 72¾; $300 N.S. Steel at 82; $200 Penmans at 67; $500 Riordon at 90; $2,000 Sherwin-Williams at 98; $17,700 Wayagamack at 84 to 83½; $22,700 War Loan (1925) at 98 to 96½; $116,200 War Loan (1931) at 97 to 96; $210,900 War Loan (1937) at 98¼ to 97; $366,000 Victory Loan (1923) at 101 to 99⅝; $322,850 Victory Loan (1922) at 100½ to 99¼; $117,100 Victory Loan (1927) at 101⅛ to 100½; $1,237,780 Victory Loan (1933) at 102 to 100; $322,000 Victory Loan (1937) at 103⅝ to 101¾.

Secretary Glass will ask U.S. Congress to increase the authorization for the next loan, the existing authority permitting the issuance of a little over $5,000,000,000.

Total sales at the first session of the January auction at St. Louis fur auction exceeded $1,000,000 for more than 1,000,000 pelts.

Municipal Finance

—Now that the war is over—it seems reasonable to expect that normal conditions will soon return and permit Municipalities to issue loans of a more permanent and conservative character.

—Therefore present financing should be for short periods of not more than, say, five years.

—We are open to purchase total new issues of Government and Municipal Bonds of such short maturities.

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Victory Loan	5½%	1933
Province of Quebec	4½%	1946
" Alberta (Guaranteed)	4½%	1944
" Saskatchewan	5¾%	1934
" British Columbia	4½%	1925
" British Columbia	5%	1928
Greater Winnipeg Water District	6%	1924
City of Lethbridge, Alta.	5%	1945

Particulars on request.

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Res. Fd. £2,025,000 Together £4,025,000
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Reserves	756,580.13
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HEAD OFFICE, WINNIPEG

BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

EXCELSIOR LIFE WROTE RECORD NEW BUSINESS

Now Carries Nearly $27,000,000 of Assurances on Its Books

ASSETS ENLARGED

Investments in First Mortgages During 1918 Were Larger Than Investments in Debentures

That the Excelsior Life Insurance Company has been able to weather safely the most trying year in the history of the life business in Canada is demonstrated by the statement of the company's affairs presented to the annual meeting of shareholders and policyholders held on Thursday of this week. Notwithstanding much heavier disbursements on policyholders' account, coupled with the strain of putting on the largest volume of new business in the experience of the company, the surplus has only been affected by the comparatively insignificant sum of $6,000.

It has been a year of constructive progress. Applications for new assurance were received to the amount of $6,734,002, or nearly half a million more than in the previous year, while assurances issued and revived totalled $6,438,056, a gain of $370,000. The company has now in force $26,842,967 of insurance, placing it well up in the list of Canadian life companies in this respect.

Income is Expanding

The company's net premium income exceeds $900,000, which represents an increase for the year of over $100,000. From interest, rents, etc., there was received $293,009, a gain of $9,000. There is also included in the year's receipts the sum of $5,000, being a payment for capital stock and $6,085, representing appreciation in the value of bonds and debentures. On the side of disbursements, death claims called for the payment of $187,130. In 1917 this item amounted to $159,844. The increase is not large considering the undoubted severity of the influenza epidemic. However, the company is carrying as a liability $126,682 in death-claims awaiting proof, which is over $100,000 more than the similar item at the end of 1917, and indicates that the year's losses were undoubtedly very heavy. No figure is supplied as to the percentage of the expected mortality experienced.

Surrenders at $35,244 were somewhat less than for 1917, but matured investment policies at $77,758 and matured endowments at $78,781 were both considerably larger, a result fully to be expected as the company grows older and these policies terminate. It is interesting to note that profits paid to policyholders were $20,000 greater and amounted to $58,076. Altogether there was disbursed on policyholders' account the sum of $438,061, which is an increase of over $100,000.

Agency salaries, commissions and expenses called for the payment of $218,944. This was only about $11,000 more than in 1917 and is not out of the way having regard to the larger volume of business on the books. Head office salaries, fees and expenses and medical expenses are both less, indicating economy of management. In all what may be described as cost of management was only increased by about $16,000, while, as already mentioned, receipts expanded by over $120,000.

Assets Approach $5,000,000

It is somewhat interesting to observe that the Excelsior Life's first mortgages on real estate have increased during the year. In fact, the increase in these investments has been considerably greater than the increase in holdings of bonds. First mortgages amount to $2,414,081, an increase of $388,533, while bonds are valued at $798,859, an increase of only $243,726. In this respect, the policy of the company is probably unique. Including a valuation of $1,005,654 on real estate, the net ledger assets are $4,718,402, a gain for the year of over $400,000. The company did not quite maintain its high interest rate, but at 6.72 per cent. it occupies a foremost position among Canadian companies as an interest earner.

The reserve has been enlarged during 1918 from $3,648,644 to $3,971,862. In addition the company holds $5,000 in reserve for unreported death claims and $17,301 for depreciation in investments. Allowing for all other liabilities, there remains a surplus of $649,135, which, as already stated, is only some $6,000 less than the surplus reported at the end of 1917. To have been able to meet the exceptionally heavy charges of the year without having had to draw on the surplus to a greater extent reflects much credit on the management. The ground has meanwhile been prepared for a fine year's progress in 1919.

The following gentlemen comprise the board of directors for 1919: David Fasken, president; Alex. Fasken, 1st vice-president; Joseph Wright, 2nd vice-president; S. J. Parker, 3rd vice-president; J. H. Black, managing director; Thomas Long, Geo. E. Weir, W. H. Gooderham, Hon. Senator George Gordon, Geo. R. Warwick, J. C. Waugh, Anthony M. Rankin, M.L.A.

BORDER CITIES WANT SOME OF HOUSING LOAN

Report Denied That They Are Not Interested in Scheme

Exception is taken by F. Maclure Sclanders, F.R.G.S., commissioner of the Border Chamber of Commerce, to the statement appearing in the FINANCIAL POST of December 28 that the city of Windsor was not likely to make application for any of the government loan for housing, etc., and that it disapproved of the government scheme. The reference in question was taken from the report of the housing commission appointed by the Toronto City Council, which had sought information from various outside municipalities.

"The information is wholly misleading," declares Mr. Sclanders. "These border municipalities are exceedingly interested in the government scheme as now submitted. We are now making arrangements to apply for one full quota of the loan. On account of our astonishing industrial development, which even the war has not materially restricted, the scarcity of workmen's homes here is acute.

One Industry Plans

"As to no industrial concern making a move to help matters, I might mention the Canadian Steel Corporation at Ojibway, which will look after the construction and provision of houses of a fine type for its employees. I understand that certain contracts in this direction have already been placed. At any rate, the concern in question will sooner or later build a large number of houses at Ojibway, where its model town is already laid out, sewers, water, cement streets and all.

"I might say that we now have special committees from our manufacturers, our retailers, our realty men, and our general membership, all co-operating on this housing matter, and all with a view to taking full advantage of the Government's offer of 5 per cent. money."

Report Submitted

A report on the housing problem in the border cities was submitted to the directors of the Border Chamber of Commerce on January 8 by the Housing Committee of the Border Cities Real Estate Board. It declared that four hundred houses were needed at once and that, with the industrial expansion in sight, it was doubtful if one thousand houses erected this year would fill the demand. The decline in building was due to the high price of money and the high cost of building material. It was shown that, if proper housing was lacking, the effort to locate new industries would be hampered and existing industries would suffer the shifting of population. It was not in the interests of merchants and business men to have the workmen live in Detroit, where they naturally spend their wages.

The report outlined the Dominion Government's proposal to provide a fund of $25,000,000 for housing, which it fully endorsed. It suggested that the manufacturers and retail sections of the Chamber be consulted, as well as the Chamber as a whole and that the municipal councils be consulted and their co-operation requested. It was also urged that the fullest publicity was desirable and that action was urgent.

Halifax will soon have its second large apartment building, and is feeling quite proud. The Morris Construction Company have purchased a lot, 275 feet by 64 feet, and have started excavating for a building with twenty-four suites of apartments.

The new six-storey warehouse of the J. H. Ashdown Hardware Co. at Saskatoon has been opened for business. This replaces the building destroyed by fire last March, and is one of the finest of its kind in Western Canada.

An association opposed to National prohibition, organized a week ago by New York hotel and business men, has already enrolled 500,000 members throughout the country.

CONTINENTAL LIFE WRITES $2,946,762 OF NEW BUSINESS

This is the Largest Amount in the History of Company

HAD HEAVY LOSSES

In Common With Most Other Companies, Experienced An Abnormal Amount of Death Claims

Once again the Continental Life Insurance Company reports a record-breaking volume of new business. In 1917 when it issued and revived $2,917,589 of insurance, a mark was set that might have been regarded as difficult of attainment again. Yet last year this total was not only reached but exceeded and $2,946,762 of new business was added to the company's books. The assurances in force at the end of the year were $12,786,784, a gain of $755,633.

Income continues to expand steadily. From premiums the company received $444,401, an increase for the year of approximately $38,000, and from interest, rents, etc., $110,270, a gain of over $1,000. Total receipts were $554,672, as against $515,717 in 1917. These enlarged receipts were, however, absorbed by the heavier expenditures, especially on policyholders' account. In common with all other life companies, the Continental has been called upon to make good the greatly increased losses occasioned by the war and the influenza. While actual payment of death claims, viz., $127,381, was $1,000 less than in 1917, claims reported were $150,120, or $20,000 more. Of these reported claims $64,500 were from influenza and $40,650 from the war, the latter being considerably less than in 1917.

Heavier Payments

Matured endowments paid in 1918 amounted to $37,696, or roughly, $26,000 more than in 1917, while dividends to policyholders and surrender values called for the payment of $81,351, an increase of $20,000. Total payments on policyholders' account were thus $246,428, or $45,000 more than in 1917. There was a 50 per cent. cut in dividends to shareholders, bringing this charge down to $7,000. Head office expenses of all sorts at $38,851 showed a very slight increase. Commissions, etc., at $89,524 were slightly less. Taxes and license fees at $9,378 were a little larger and all other expenses at $22,235 showed an increase of a trifle over $2,000. On the whole expenses of management were about on a par with those of 1917.

Total assets now amount to $2,515,304, comparing with $2,220,166 at the end of 1917. The increase is found principally in the item, bonds and debentures. Deducting loan on Victory bonds, these are valued at $1,033,548, which is $110,000 more than at the close of the previous year. The company's investment in first mortgages shows a contraction from $545,199 to $533,471. Real estate is held at $457,434 or $3,000 more than in 1917, and loans on policies are up from $296,154 to $303,939. Altogether ledger assets amount to $2,368,640, compared with $2,275,029 at the end of 1917.

Effect on Surplus

The net reserve for policies based on the Government standard has been enlarged from $2,025,475 to $2,200,828 to take care of the new business added during the year. The special reserve of $30,000 has been drawn on to the extent of $25,000 to meet the year's abnormal claims, while all other liabilities stand at $95,427. This leaves the surplus for the protection of policyholders, including paid-up capital stock of $200,000, at $214,049, a reduction of about $38,000 for the year. This cut in surplus was entirely unavoidable and should be regarded as a temporary expedient only. In fact it is a result common to practically all life companies in these trying times. From now on the forces which tend towards conservation should make themselves increasingly felt and enable companies once again to restore the surpluses which have been drawn on to a certain limited extent to make good those abnormal losses which have been experienced during the four years, 1914-1918. In the case of the Continental Life the new business added in 1917 and 1918 on so large a scale should enable it to rapidly gain ground in 1919.

Two New Directors

At the annual meeting of the company on January 22 two new directors were added to the board, these being W. A. Denton, of Denton, Mitchell & Duncan, Toronto, and Wm. A. Dryden, of Brooklin, Ont., son of the late Hon. John Dryden, former and first president of the company. The directorate includes George B. Woods, president; Dr. H. Wilberforce Aikins, first vice-president; Sidney Jones, second vice-president; Marmaduke Rawlinson; N. L. Paterson, W. A. Medland, J. B. Holden, W. A. Denton, E. E. Sharpe, Winnipeg; John W. Hobbs, Richard Southam, and W. A. Dryden, Brooklin, Ont.

Complete Administration

Will your executor live long enough to administer your estate fully?

You cannot be sure—if he is mortal.

You can be sure—if your executor is a Trust Company. A Trust Company is as able and faithful as any individual—and it is deathless.

National Trust Company Limited.

Acts as Executor.

Capital Paid-up, $1,500,000.
Reserve, $1,500,000.

18-22 KING ST. EAST
TORONTO

For the well groomed man

TEXEND BRACES

Finer than the imported

The Dominion Suspender Co. Limited
NIAGARA FALLS, ONT.

ASSESSMENT SYSTEM

CANADIAN ORDER OF CHOSEN FRIENDS

HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five millions dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor. W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer. W. H. Woods, M.D., Grand Medical Ex.

HAMILTON - ONTARIO

British America Assurance Co.

Fire, Marine, Hail and Automobile Insurance.

HEAD OFFICE - - LONDON

BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

Assets, over $3,500,000.00
Losses paid since organization, over $43,000,000.00

Western Assurance Company

Fire, Marine, Explosion and Automobile Insurance.

Incorporated 1851

HEAD OFFICE, TORONTO, ONT.

Assets over $6,000,000.00
Losses paid since organization over $70,000,000.00

BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

SOLICITORS

TORONTO

LASH, BLAKE, ANGLIN & CASSEL

Barristers, Solicitors, Etc.

Canadian Bank of Commerce Building, Toronto

Cable Address: Blakes, Toronto.

General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

EDMONTON, ALTA.

Baldwin, Dow & Bowman, Jackson Block.

FARMERS' PLATFORM ON ECONOMIC ISSUES

Continued from page 10

the goods pay the tariff, and you cannot get away from that. On that occasion we had home-made articles and imported articles of equal quality selling at the same price.

In this case the tariff goes, not to the Government, but to the manufacturer, where it represents either that much extra profit to him, where he is as well situated as his foreign competitor to produce cheaply, or the loss he would be compelled to accept where he cannot manufacture as cheaply as the foreigner. This is what is called the protective feature of the tariff.

Far Reaching Effects

But the protective tariff has other secondary effects which are quite as important as the primary effects. Because it increases the cost of so many articles used by all the people (whether these articles are home-made or imported), it increases the cost of living of all the people. Therefore, the money wages of all workers must be raised to meet the increase. The teacher, the preacher, the doctor, the lawyer, the laborer, the retailer, and all the other classes, must have more money in order to meet the increased cost of the "protected" articles they must buy.

They are not any better off in reality, but their money wage is higher. This again increases the cost of thier services to each other and to the community, and so the "vicious circle" is started, and the cost of living goes up and up.

But, if there are "protected" industries, there are also industries that are not protected, and cannot be. They are those which are particularly adapted to the country, that produce far more than can be used at home, and hence, the price of whose product is fixed abroad in the world's markets. To these industries the effect of protection is disastrous.

The cost of production in these industries is increased, not only by the higher price of the protected articles used in the industry, but by artificially high wages and salaries of all other classes. As a result these industries cannot pay as high wages to those employed in them, or as high interest on capital invested, as the other "protected" industries. Hence they are retarded in their development, and we may even find them retrogressing.

The net effect of protection then, is to encourage the industries which are less suitable to the country, and to discourage those which are more suitable, or in other words, to encourage those industries where a unit of labor produces the least, and to discourage those where a similar unit produces most.

War-time Proficiency

The tariff either produces an undue profit or sustains an incompetency. There has been a great deal of incompetency. We may well be proud of the adaptiveness shown by the Canadian manufacturers in war times. They have brains if they care to use them, as all Canadians have brains, but I tell you that before the war, and behind the shelter of a protective tariff, incompetency existed. An honored woolen manufacturer told me of finding a machine in a woolen mill which was held to be up-to-date, which the Yorkshire foreman told him had been obsolete 20 years ago in the mills of Yorkshire. If we farmers were so behind the times that we were employing machinery that was out of date 20 years ago, we would be severely censured for incompetency. The Canadian farmer has to meet the competition of the world, and must be up-to-date, and we produce more per capita than almost any farmer in the world; but our manufacturers do not have to, because their profits are assured by the tariff tax, and they have not done so. Some people think that the vicious circle started with the cost of food because it was the primary necessity of life. Remember that food is not the primary necessity of life any more than anything else. Food is not more necessary than the products of the tailor or the plumber; and the editor of the "Globe" or "News" or "Telegram" would be no better off if he had a good breakfast, but had to go to his office on a cold winter morning without the protection of clothes, than he would if he had the protection of clothes, and had to go without his breakfast. Everything we use is a necessity of life. The man whose plumbing system has broken down, needs a plumber probably as much as he needs a dinner. The only reason that I can see for the attitude of newspapers in advocating the regulation of food prices is that those people who said, "Regulate the food, because it is a necessity of life, and leave the other things unregulated," thought that the farmers produced the food and somebody else produced the other things.

Mr. Parsons' Attitude

Mr. Parsons, late president of the Canadian Manufacturers' Association, has assured us, in a speech given before that body, and widely published by it at great expense, that "speaking broadly, Canada must choose between a tariff with manufacturers on the one hand, or free trade without manufacturers on the other; the issue cannot be dodged and should not be clouded."

There never was a more humiliating confession made by the President of a great organization in the time of his country's need. I mean that, after all these years of help for our "infant industries" they cannot make things as cheaply for our own people as these things can be bought abroad; that they, close to the consumer, must be allowed to charge 20, 35 or 40 per cent. more than the manufacturer in England charges after paying the freight across the ocean, and to the point of consumption. It means that, when every hand in Canada should be turned to the most profitable industry in order to meet our immense obligations, these industries must not be expected to help pay our debt with goods, but must actually be allowed to tax other self-sustaining industries to be a clog on our endeavor to pay our debts. However, enough "interested sophistry" is evident in the rest of Mr. Parsons' speech to make us take even this statement with more than the proverbial grain of salt. Let us examine actual conditions as far as we can.

I believe it is pure bosh to say that under Free Trade manufactures in Canada would cease. There may be some, for which the country is unsuited, that might be forced to close down, but of these few we would be better rid, since it is obvious that they are now operated at a loss which they avoid only by shifting it to the shoulders of the consumers. To say that manufacturing cannot be carried on in a country such as Canada, where there are unlimited stores of various raw materials, limitless water power easily transmitted in the form of electricity, and a virile and resourceful population, and where living, under free trade conditions, would be cheaper and more abundant than in almost any other place on the globe is, on the face of it, ridiculous in the extreme. Mr. Parsons, of course, would not admit it, but the fact is, our manufacturers do not want lower tariff because they would be forced by it to forego unusual profits, to squeeze the water out of their concerns, and to give up the advantages which they have attained through mergers and combines, in the control of the market. Let us look at one or two cases. In Blue Book No. 39 of the year 1909, we find on record what we may well believe is a case typical of many among our manufacturers. The Dominion Textile Co., making cottons, had cut down the wages of its employees, alleging that it did not receive sufficient tariff protection to enable it to pay fair wages. A deadlock occurred as a result between employer and employees, the Department of Labor undertook to mediate, and as a result, the Secretary of the company admitted under oath that, while the company was only paying five per cent. on its stock, this stock had cost but ten cents for one dollar's worth, so that the innocent-looking five per cent. became fifty per cent., besides which the company was writing off immense sums for repairs and betterments. An enormous profit, so well disguised that it was only by chance the public found it out.

Makes a Proposal

The late president of the Canadian Manufacturers' Association, during the discussions of the past year arising out of press criticism of the high tariff propaganda of that association, stated his belief that "generally speaking, over a series of years farmers averaged up on their actual capital employed as great a percentage of profit as did manufacturers." I believe Mr. Parsons knows better, but to test his sincerity I challenge him to join with us in asking for a commission to investigate the whole matter, including profits on watered stocks and to make public their findings, said commission to consist of representatives from the Manufacturers' Association, from the organized farmers, east and west, and I would like to add, from the professions. We have had no reason to trust the Manufacturers' Association in the past, and we have none now. If they have a case, let us have the facts fully investigated and made public, and then the public of Canada may judge for themselves.

But what has been the effect of the tariff on the farmers? Has it benefited them in any way? Let us first consider that old and still repeated claim of the protectionists, that the "home market" is a boon to the farmer. In certain lines it is undoubtedly a small advantage. The producers of certain kinds of fruit, of early vegetables, of winter eggs, possibly of cream and milk, though the benefit in the last is doubtful, are able to realize at certain seasons a better price for their produce, owing to the presence of near-by city markets. But these lines are small and unimportant in proportion to the whole agricultural production. On the great staples of farm production, wheat, beef, pork, mutton, cheese, etc., the home market is of no more benefit than if the people composing it were in England. We are constant exporters of these articles, and must be increasingly so, if we are to meet our foreign obligation.

The Basis of Price

The price is fixed in the world's markets, and not in the home market. There is no way that I know of by which the farmer, when he takes ten hogs to market, can get more for the five that will be eaten in Canada, than he can for the five that are shipped abroad. Perhaps, if we were properly organized, we could get control of the output as our manufacturing friends do, and charge more for that used at home than for that used abroad, as it is a matter of common knowledge that the manufacturers of Canadian binders, and flour and cured bacon do. In the absence of such organization, and I do not think such organization likely, the home market is of no benefit to Canadian farmers.

As we have seen, the product of the farmers' labor and capital must find its market abroad. There it comes into competition with the products of the cheap labor of India and Egypt, of the cheap land of South America. It is obvious that, since he cannot control the price of his output, it is important to reduce the cost of his production. A protective tariff running from 20 to 40 per cent. on all his equipment is no small handicap, and since he has a very limited capital to invest in it, it seriously reduces the amount of equipment he can buy. He must hire what labor he needs at wages fixed by competition with protected industries, he must pay for all services, professional, mercantile and public, at the same enhanced rate, and while compelled to live and carry on his business in a community where every service is enhanced in price from 30 to 40 per cent. because of a tariff, he must sell his product abroad in competition with the cheapest labor and land in the world. Under these circumstances it is no wonder he is going out of business, as our shrinking rural population shows.

We know that if our labor problem, in view of conditions, is not much worse than it is, it is because the farm hand really loves his work. We are not paying the wages the manufacturers pay for equal skill, or anything like it; and we are not paying them not because we are unwilling to pay them, but because we cannot do so and make a living (hear, hear and applause). Even in war times the farmers were not getting anything like the rewards their capital and labor should get. The reason the farmers are on the job to-day is because the farmer loves the farm more than anything else. Sentiment has a whole lot to do with the farmer's life on the farm. They value their homes and they value the farm that came down to them through the generations, and that is about the only thing that has kept our rural population from shrinking more than it has.

Farmers and Profits

There is a widespread belief among city people, a belief fostered by Mr. Parsons in his advertised propaganda, and also, perhaps unintentionally by the press, that farmers are making huge profits. Let us examine this: In the fall of 1917 the Ontario Dept. of Agriculture made a farm survey in the Township of Caledon. It was found that after allowing for depreciation, repairs, and running expenses, and allowing 5 per cent. on capital invested, the income of the farmer as manager and worker ran from $507 per year, in the case of the smaller farms, to $1,581 per year in the case of the larger farms. It is well to remember that this was in 1917, a record year, both for crops and prices. The rate of interest, 5 per cent., is lower than money can be borrowed for. How much would the labor return have been had interest been charged at current rates, or had either the crop or the prices, or both, been normal, or, as often happens, subnormal? As it was, in a record year, the average labor return was less than a mechanic's wages, though the farmer was manager as well as laborer, and was on the job for 12 or 15 hours a day, and 365 days in the year. It is small wonder under these circumstances that farm population is shrinking at an alarming rate; as it is, rural population in Ontario, which was 1,246,969 in 1901, having shrunk to 1,194,785 in 1911, and in 1917 to 1,003,644, the latter figure being from municipal statistics. It is clear that if present conditions are allowed to continue we must expect farm population and farm production to still further decrease.

But it is to the Canadian farms that we must most largely look to pay our immense interest charges and foreign indebtedness, and to save our country from bankruptcy. In the three years, 1912-13-14, which we may regard as showing before-the-war conditions to which we must soon return, out of a total average export of $359,189,371 of Canadian goods, the farms of Canada exported an average of $200,614,477, while the manufacturers exported only $45,657,481, and it is well to remember that a considerable portion of these, such as flour, were secondary farm products, and we may add most of the manufactures exported were from industries, such as the making of wood pulp, which would be benefited, rather than hurt, by lower tariff and lower cost of production.

Farms vs. Factories

It becomes evident, then, that the redeeming of Canada's financial position will be the work of the farms rather than of the factories. Indeed, Mr. Parsons admits that the Canadian manufacturers either cannot or will not meet foreign competition, will take no part in meeting our obligations abroad, with goods, and must be allowed to tax the consuming public by a protective tariff, or they will cease to make for even home consumption. Perhaps there is more 'will not' than 'cannot' in it, for there is no reason to believe that the attitude of the Manufacturers' Association now is any different from that of 1910, when its secretary said in Winnipeg:—

"The reorganized Canadian Manufacturers' Association is like a young giant, ignorant of its own powers. By the exercise of these powers it could, if it chose, bring several millions of people to the verge of starvation, or paralyze the industries of the whole Dominion."

This threat, for it is a threat, reveals the truly Bolsheviki attitude of this organization. Indeed, there is much in common between it and the Bolsheviki, for the central idea of both seems to be that they must be allowed to take other people's property for their own benefit. There is more excuse, however, for the ignorant, down-trodden Russian than there is for his millionaire Canadian prototype.

But since it is to Canadian farms that we must largely look for the exportable surplus, which alone can save us from national bankruptcy, since Food Controller Thomson was literally right when he said that the first six inches of Canadian soil must pay our national indebtedness, it is perfectly clear that this industry must be set free to do its part. It is and has been, sorely handicapped for lack of capital and labor, because capital and labor, under the handicap of protection, cannot find adequate rewards in it. With adequate capital and labor we can double, quadruple our production, and save the country. Without it, financial disaster stares us in the face. In the interest, not of the farmers, but of the country, we must set agriculture free from the artificial handicap of our protective tariff. We need not fear the extinction of manufacturers. All those suited to the country will survive without doubt, and if any of them show signs of sickness under the change of climate, a simple operation known, I believe, as "tapping" will remove the dropsical moisture from their system, and set them on their legs again.

The time has come for the farmers to take up the thread of their lives again. We have been too busy winning the war to keep tab on the important questions which need discussion now. You know, as practical farmers, what keeps us from being up to the very last notch in machinery; it is because we have not the money to pay for it. If tractors cost $400 instead of $900 twice as many people would buy them.

Soldiers Not Taxed to Death

And this brings me to a very brief thought on another of the economic problems of time: the reinstatement of our returned soldiers in civil life. Very many of them have signified their desire to farm, and there is no place where they will be safer or where they will do more good in the upbuilding of the country than in its rural life. I think the return of the soldiers to the soil would be a grand thing for Canada. I think the rural communities in Ontario would welcome an infusion of them. I would like to see the scheme carried out that is in the mind of the Minister of Education to have them teach our schools; I believe it would tone up life immensely, for we need a different viewpoint. But, when they have been planted on farms, when they commence to till the ground they have fought to save, in the name of justice and freedom, let us see that they are given economic justice, let us see that no privileged class are given the power, through a protective tariff, to take their rewards from them. Unless we do this, though we may place them on the land, they will not, can not stay there.

The worst of it is, the people of this country cannot depend on either the wisdom or the good intentions of their leaders. Time and again have we been committed to issues involving serious consequences for no object but to win an election.

In 1878 Sir John A. Macdonald introduced his N.P. to win an election, though it is said he had also a speech advocating free trade in his pocket, and would have used it had Mackenzie taken the other side. Sir Wilfrid Laurier launched the Grand Trunk Pacific to provide an election cry, and it has been a burden to us ever since. And in 1911 the people of Canada were stampeded into rejecting the best and wisest thing we ever had a chance on, which would not only have increased our prosperity, but would leave cemented the bonds of friendship between ourselves and our great friend and ally to the south. They were stampeded by the most wicked and traitorous cry ever raised, a cry which was intended to arouse, for mere election purposes that most dangerous thing in the world, national hatred. You remember the slogan, as false as it was wicked: "No truck nor trade with the Yankees."

I say, and say it solemnly, that the man who arouses national hatred is a criminal of the worst type, and that the punishment for these things should fall upon his head. The last thing to arouse in human nature is national hatred. This war has done one great good. To-day down town I saw a procession that gladdened my heart; it was the Union Jack and Old Glory side by side, going along the street. Thank God for that! Our destiny may be under the Union Jack, and a glorious one, but we want the two side by side forever in friendship. (Hear, hear and applause).

We need a new national policy. That policy I believe is found in the platform of the Canadian Council of Agriculture. With its trade policy I agree, with its taxation policy, I agree. There is just one thing I would like added to it, and that is, the entire renovation of our Parliamentary life and the thorough cleansing of the Augean stable of Canadian politics, a thing which can only be done by the citizens arousing themselves, shaking free of party shackles and electing to Parliament men who will indeed represent them.

THE SUGAR SUPPLY

Low Prices of Pre-war Days Probably Gone for Many Years to Come

BOSTON. — "The shelves of the world's largest consumers of sugar are empty, so there seems no good reason to expect a slackening of the demand for a long time to come." This statement is made by the Czarnikow-Rionda Co., the head of which, Manuel Rionda, is also president of the Cuba Cane Sugar Corporation. They say further:

Apparently the world has sufficient sugar in sight for its 1919 needs, as with favorable conditions good crops generally are promised. Aside from Europe, countries like Argentina, Australia, Mexico and Japan have good-sized requirements to be filled, the scarcity of tonnage, at present, acting as an obstacle to free dealings in those quarters, but this difficulty should soon be overcome by Governments releasing boats. To Europe a large portion of the Cuban crop will be shipped, either as raws from Cuba or as refined from United States.

"That there will soon be much increase in the world's production is not generally expected, for the reconstruction of the destroyed beet properties and the development of new cane projects will take time. Usually at this season, with large crops immediately in view, comment is heard about the over-abundance of sugar, but with a commodity of such universal use and with a prospective heavy increased demand in sight, there seems small reason to fear an undistributed accumulation at the season's end. The low prices for sugar existing prior to the war have probably gone for many years to come, along with low-priced materials, fertilizers, freight and everything else entering into manufacture and distribution, and there will have to be a readjustment of the prices of such articles before sugar prices can very materially decline."

DEBENTURE SALE

THE GOVERNMENT OF THE PROVINCE OF NEW BRUNSWICK will receive Sealed Tenders up to Twelve o'clock noon on February First, 1919, for the purchase of $450,000.00 5½ per cent., fifteen-year Transferable Debentures, dated February Fifteenth, 1919, and terminable February Fifteenth, 1934.

Interest payable by coupon half-yearly on the Fifteenth February and Fifteenth August in each year.

Principal and interest payable at the option of holder at the Office of the Provincial Secretary Treasurer, Fredericton, or at the principal office of the Bank of Montreal, in Montreal, Toronto or Fredericton, or at the Agency of the Bank of Montreal in the City of New York.

These debentures are being issued for Railway purposes and are a direct obligation of the Province of New Brunswick. Denominations $1,000 and $500.

Mail Tenders to the Comptroller General, Fredericton, New Brunswick.

The Imperial Guarantee and Accident Insurance Company of Canada

The Directors have much pleasure in submitting to the Shareholders their Fourteenth Annual Report for the twelve months ending 31st December, 1918.

BUSINESS

The Company issued 18,626 Policies for insurance of $37,174,370.00. The premiums on new and renewed business amounted to $362,785.65, with premiums paid for of $355,336.68, being an increase of $52,128.00 in premiums on business written, and an increase of $47,098.72 in paid-for premiums. The interest earnings amounted to $20,516.28, an increase of $976.83. It is satisfactory to note a favorable reduction in the ratio of expense to premium income.

The Influenza epidemic has had the effect of abnormally increasing the claims paid, and requiring increased provision for the liability connected therewith.

ASSETS

The Assets of the Company now amount to $481,584.30, and the investments of the Company are all first-class securities bearing good interest returns. The Bonds and Debentures are carried in the Assets at a valuation actually below the valuation authorized by the Dominion Insurance Department.

SECURITY

After providing $172,940.00 for Unearned Premium Reserve and Reserve for Outstanding Claims; and after providing for other liabilities, the surplus to policyholders is $298,139.00, which, together with the uncalled subscribed Capital of $800,000.00, makes the available security for all contracts $1,098,139.00.

The lines of Insurance now written are: Personal Accident Insurance, Sickness Insurance, Elevator Insurance, Fidelity Guarantee, Plate Glass Insurance, and Automobile Insurance (including insurance of Automobiles against Fire.)

The Certificate of the Auditors is appended to the Financial Statement as to the audit of the Company's affairs.

HERBERT C. COX, President.

Toronto, 10th January, 1919.

BALANCE SHEET

ASSETS

Bonds and Debentures, depreciated value	$356,275.50
Loans on Mortgages	9,000.00
Real Estate	2,365.03
Accrued Interest	2,163.64
Outstanding Premiums	48,443.87
Other Assets	14,548.23
Cash in Banks and on hand	48,788.03
	$481,584.30

LIABILITIES

Government Reserve for Unearned Premiums		$112,992.70
Reserve for Filed and Unfiled Claims		59,952.32
Sundry Accrued Accounts		2,500.00
Dividend payable January 1st, 1919		8,000.00
Capital Stock Paid	$200,000.00	
Contingent Reserve Fund	10,000.00	
Surplus over all Liabilities	88,139.28	
		298,139.28
		$481,584.30

AUDITORS' CERTIFICATE

We have audited the accounts of the Imperial Guarantee & Accident Insurance Company of Canada for the year ending December 31st, 1918. We have examined the Securities and verified the Cash and Bank Balances, and we certify that the above Balance Sheet shows the true position of the Company at that date.

CLARKSON, GORDON & DILWORTH,
Chartered Accountants.

Toronto, 10th January, 1919.

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ROYAL INK COMPANY
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LARGER LOANS AND PROFITS OF DOMINION BANK

Advances on Current Accounts Were Larger by $18,500,000

GOOD BUSINESS

Support of Canadian Trade and Industry Resulted in Increased Earnings—Foreign Call Loans Reduced

Increased service to Canadian trade and industry is the outstanding indication of the annual statement of the Dominion Bank for the year ending December 31st, as shown by an increase of $18,500,000, or more than 40 per cent. in current loans, the total being raised from $45,590,000 to $64,000,000. That this represented business of a profitable character is indicated by an increase in profits of $81,435 to $1,086,498. There was some extension of the position in relation to immediately available liquid assets accompanying this expansion of loans.

According to the classification of the FINANCIAL POST the ratio of immediately available assets to total stands at 30.09 per cent. and to liabilities to the public at 33.63 per cent.

The total assets at $133,300,000 showed an increase of $24,000,000. Apart from the expansion of current loans the important increases were $4,400,000 in Canadian call loans—more than 100 per cent.—and $3,100,000 in holdings of public securities. The actual reduction in immediately available assets was only $650,000. There was a reduction of $2,275,000 in call loans abroad which important increases in gold reserve, bank balances abroad and holdings of government securities did not counterbalance. This calling in of funds on foreign call loans is a reflection of the policy of meeting the enlarged demands of domestic business.

Enlarged assets are largely counterbalanced by the increased deposits; the total was larger by over $14,000,000, the increase of $18,600,000 in demand being reduced by a decrease of $4,400,000 in savings. There was also an increase of $9,100,000 in balance due to the Government, the total being $11,000,000; this evidently indicates advances from the Government on legals under the provisions of the War Measures Act. Following are comparative figures:

Immediately Available Liquid Assets

	1918	1917	Change
Specie	$ 1,940,781	$ 1,932,683 +	$ 8,098
Dom. notes	13,473,468	13,479,952 —	6,484
Note cir. dp.	304,500	304,500	......
Notes, bk..	1,037,315	1,027,092 +	10,223
Call lns.abr	1,269,404	3,644,969 —	2,375,565
Bank bal.	7,779	9,459 —	1,680
do., abd..	2,443,405	2,132,807 +	310,598
Gov. sec..	9,966,508	9,403,914 +	562,594
Cheques ..	4,995,232	4,455,142 +	540,090
Gold res.	4,600,000	4,300,000 +	300,000
	$40,038,392	$40,690,518 —	$ 652,126
% total assets	30.09	37.33 —	7.24
% total liab. to public ..	33.63	42.47 —	8.84
Other Asests			
Public sec	$13,009,831	$ 9,889,853 +	$ 3,119,978
Other sec..	2,376,326	3,397,460 —	1,021,134
Call loans.	8,408,800	3,987,122 +	4,421,678
Current ..	64,092,006	45,590,916 +	18,501,090
Elsewhere	26,782	72,694 —	45,912
Over. debts	85,606	89,932 —	4,326
Lets. of cred.	305,617	362,561 —	56,944
Real estate	11,470	23,509 —	12,039
Mortgages	22,589	13,795 +	8,794
Premises .	5,128,855	5,317,785 —	188,930
	$93,467,882	$68,745,627 +	$24,722,255
Total absts.	$133,506,274	$109,436,145 +	24,070,129
Liabilities to Public			
Circulation	$ 9,858,533	$ 9,417,684 +	$ 440,849
Dem. dep..	33,843,585	15,216,784 +	18,626,801
Sav. dep. .	62,264,126	66,731,312 —	4,467,186
Due bks. .	1,131,994	868,468 +	263,526
Due else. .	1,002,534	815,743 +	186,791
Acceptances	305,617	362,561 —	56,944
Bills pay..	86,520	233,352 —	146,832
Due Dom. Govt. ..	11,000,000	1,816,453 +	9,183,547
Other liab.	383,172	399,157 —	15,985
	$119,876,081	$95,861,514 +	$24,014,567
To Shareholders			
Capital ..	$ 6,000,000	$ 6,000,000	$.........
Reserve ..	7,000,000	7,000,000	....
Dividends	183,690	181,627 +	2,063
Balance ..	446,503	393,004 +	53,499
	$13,630,193	$13,574,631 +	$ 55,562
Total lia.	$133,506,274	$109,436,145 +	$24,070,129

The profit and loss statement shows income of $1,169,798, from which provincial taxes and circulation tax is deducted to find net profits at $1,086,498 compared with $1,005,062 for 1917. Appropriations included besides dividends and pension and patriotic funds an allowance of $250,000 "written off bank promises." The remainder was applied to "balance," which was increased from $393,005 to $446,503. Following are comparative figures:

	1918	1917	1916
Profits	$1,169,798	$1,087,477	$ 969,065
Prov. taxes..	23,300	22,415	21,450
	$1,146,498	$1,065,062	$ 947,615
Cir. tax	60,000	60,000	54,112
Net	$1,086,498	$1,005,062	$ 893,503
Bal. forward.	393,005	303,442	344,439
	$1,479,503	$1,368,504	$1,237,942
Dividends ...	$ 720,000	$ 720,000	$ 720,000
Patriotic	38,000	30,000	29,500
Pension	25,000	25,000	25,000
Premises	250,000	200,000	100,000
Balance	446,503	393,004	363,442
	$1,479,503	$1,368,504	$1,237,942

Taking the profits, without deducting the war circulation tax, which with most banks is subtracted from the net, at $1,146,498 the return on capital is 19.1 per cent. and on investment 8.6 per cent. Following are features of the earnings record for the past 15 years:

	Profits	Div.	% on Capital	% on Invst.
†1918	$1,146,498	12	19.1	8.6
†1917	1,065,062	12	17.7	7.9
†1916	947,615	12	15.8	7.1
†1915	848,741	12	14.1	6.4
1914	925,364	12+2	15.5	6.9
1913	950,402	12+2	17.6	7.4
1912	901,529	12+2	17.8	...
1911	704,405	12	16.5	...
1910	659,300	12	16.4	...
1909	620,927	12	15.5	...
1908	641,318	12	16.2	...
1907	635,235	12	17.7	...
1906	539,360	12	17.9	...
1905	490,495	10	16.3	...
1904	459,670	10	15.3	...

*On shareholders' funds—capital, reserve and balance brought forward at the beginning of year.

†War tax on circulation not deducted.

DEVELOPMENT OF TRUSTS & GUARANTEE

Estates and Agencies Under Administration Increased Over $3,500,000

Further development in the business of the Trusts and Guarantee Company during 1918 is indicated in the company's annual statement, the volume of estates and agencies under administration having increased from $16,782,268 to $20,473,199. At the same time profits were fairly well maintained, considering the increased cost of conducting the company's affairs, being $107,542, or only slightly below the $107,966 reported for 1917.

The balance sheet under the head of capital account, guaranteed trust account and estates and agency account is divided as follows:

	1918	1917
Capital Account	$1,899,511	$1,872,444
Guar. Trust Acct.	5,182,061	5,214,292
Est. & Agency Acct...	12,783,554	9,083,895

The increase of over two and one-half million dollars in assets is largely accounted for in the estates and agency account under the item "other securities" which increased from $7,044,044 to $10,913,613. Other changes were not of particular significance. It might be more illuminating to the shareholders, however, if details were given in relation to the item "securities on real estates, bonds, debenture, stocks etc.," totalling $4,329,611, under the Guaranteed Trusts Account—there is no indication of the proportionate investments under the various sub-heads mentioned.

MIDLAND LOAN

Little Change in Profits Shown in Annual Report

A further slight concession in the profits of the Midland Loan and Savings Society is indicated in the annual statement for the year ending December 31. In this connection the president, William Henwood, points out that the policy of maintaining comparatively large cash reserves was continued throughout the year and states his belief that this will be satisfactory to the shareholders despite the fact that it meant a more moderate income.

The profits amounted to $41,076, as compared with $42,299 in the previous year and $42,042 in 1916. After the payment of dividends, $10,000 was devoted to reserve fund which now stands at 76 per cent. of the capital stock. The surplus carried forward was increased by about $2,300 to a total of $23,749. Following are comparative figures:

	1918.	1917.	1916.
Net profit	$41,076	$41,299	$42,043
Bal. forward ...	21,473	18,974	15,731
	$62,549	$60,273	$57,774
Dividends	28,000	28,800	28,800
Reserve	10,000	10,000	10,000
Bal. forward ...	23,749	21,473	18,974
	$62,549	$60,273	$57,774

Profits represented 11.3 per cent. on capital and 6.3 per cent. on investments. Following are features of the company's earnings record for the past five years:

	Paid-up Capital	Profit	Div.	% Profits to cap.	Earn. rate
1918..	$360,000	$41,076	8	11.3	6.3
1917..	360,000	41,299	8	11.4	6.5
1916..	360,000	42,043	8	11.6	6.8
1915..	360,000	43,890	8	12.2	7.1
1914..	360,000	42,957	8	11.9	7.2

The balance sheet shows liabilities to the public reduced from $897,915 to $862,705. Mortgages declined further, funds so invested totalling $935,222 compared with $1,017,010 in 1917 and $1,108,769 in 1916.

STRENGTHENED ASSETS OF BANK OF NOVA SCOTIA

Immediately Available Now Over 53 Per Cent. of the Total

PROFITS INCREASED

Improved Position Attained Without Preventing Growth of Current Loans or Expansion of Earnings

The further strengthening of the liquid position of the Bank of Nova Scotia during the past year, as indicated by the annual statement to December 31st, may be regarded as particularly important in view of the announcement of an arrangement for the absorption of the Bank of Ottawa. Further, this strengthening of the immediately available assets has not been accompanied by any contraction of service to Canadian current business and industry or of profits; on the contrary there is an increase in current loans of $5,600,000, while the profits of $1,411,925 compared with $1,295,315 in the previous report and are thus substantially above what constituted a previous high record.

According to the analysis of THE FINANCIAL POST the immediately available liquid assets now amount to 53.26 per cent. of the total assets and to 60.59 per cent. of the total liabilities to the public; a year ago the percentages wer 51.75 per cent. and 60.10 per cent. respectively. These assets total $85,900,000 compared with $71,500,000 in the previous report. The increase of $14,400,00 is largely accounted for by an increase of $5,500,000 in the bank's gold reserve. Other increases were $3,600,000 in call loans abroad and $3,243,000 in holdings of Dominion notes; cheques of other banks were higher by $2,450,000. There were decreases in holdings of Government securities and in the total of bank balances abroad.

The total assets of $161,300,000 showed an increase of $23,000,000. Outside of the higher current loans important changes were an increase of $2,300,000 in current loans elsewhere than in Canada and $1,870,000 in holdings of public securities. Other assets, including loans to the Government, Canadian call loans and "other securities" were all lower.

Increased assets were largely counterbalanced by the growth of demand deposits which were higher by $21,590,000. There was an increase of $5,390,000 in circulation, but a decline of $2,700,000 in savings deposits. Following are detailed comparative figures:

Immediately Available Liquid Assets

	1918	1917	Change
Specie . .	$ 9,586,984	$ 9,701,042 —	$ 114,058
Dm. notes	13,670,783	10,426,962 +	3,243,821
Note circu. dep. ...	330,640	321,015 +	9,625
Notes, bk.	1,904,843	1,508,880 +	395,963
Call loans abroad .	11,535,041	7,928,753 +	3,606,288
Bank bal.	2,566,367	3,435,721 —	869,354
Do., ab'd.	2,653,131	2,002,382 +	650,749
Gov. sec..	12,284,706	12,704,328 —	419,622
Cheques .	9,145,395	6,689,873 +	2,455,522
Gold res.	12,000,000	6,500,000 +	5,500,000
xDem l'ns	10,243,400	10,310,598 —	67,198
	$ 85,921,290	$ 71,529,554 +	$14,391,736
% total assets	53.26	51.75 +	1.51
% total liab. to pub.	60.59	60.10 +	.49
Other Assets			
Pub. sec..	$ 14,966,283	$ 13,094,847 +	$ 1,871,436
Other sec.	3,387,191	3,804,296 —	417,105
†Call l'ns.	3,832,136	3,927,565 —	95,429
Current .	39,819,493	24,145,582 +	5,673,911
Elsewhere	9,682,644	7,373,289 +	2,309,355
Ov. debts	16,413	129,639 —	113,226
Let. of cr.	375,749	644,829 —	269,080
Real est.	81,800	89,600 —	7,800
L'ns Gov.	386,805	501,205 —	114,400
Premises .	2,798,826	2,991,419 —	192,593
Oth. assts	61,073	65,420 —	4,347
	$ 75,408,413	$ 66,767,691 +	$ 8,640,722
Tot assets	$161,329,703	$138,297,245 +	$23,032,458
Liabilities to Public			
Circulat'n	$ 17,568,924	$ 12,171,423 +	$ 5,397,501
Dem dep.	47,696,581	26,102,809 +	21,593,772
Sav. dep..	74,531,580	78,235,362 —	3,703,782
Due bks..	344,881	511,554 —	166,673
Due else..	1,332,339	1,341,991 —	9,652
Accept's .	375,750	644,828 —	269,078
	$141,850,055	$119,007,967 +	$22,842,088
To Shareholders			
Capital. .	$ 6,500,000	$ 6,500,000	$.........
Reserve .	12,000,000	12,000,000	....
Dividends	229,954	229,009 +	945
Balance	749,694	560,269 +	189,425
	$ 19,479,648	$ 19,289,278 +	$ 190,370
Tot. liab.	$161,329,703	$138,297,245 +	$23,032,458

xOn grain and staple commodities.
†On bonds, debentures and stocks.

Profits and Loss

After the payment of dividends and other appropriations as recorded below a substantial proportion of the profits went forward as surplus which now stands at $749,694 as compared with $560,269 a year ago. Following are comparative figures:

Income Account

	1918	1917	1916
Bal. prev. yr..	$ 560,269	$ 584,654	$ 396,114
Net profits	1,411,925	1,295,315	1,252,039
	$1,972,194	$1,879,969	$1,648,153
Dividends	910,000	910,000	910,000
Patriotic	47,500	44,700	38,500
Pension Fund .	50,000	50,000	50,000
Halifax Relief.	....	100,000	......
War Tax on cir.	65,000	65,000	65,000
Written off ...	150,000	130,000	......
Surplus	$ 749,694	$ 560,269	$ 584,653

The Earnings Record

Not only did the profits for 1918 constitute a new high record in volume, but new high percentages for recent years were also scored on capital and investment, both being higher than any year since 1912, which was prior to the last readjustment of capital. Following are comparisons:

	Profits.	% on Capital.	Div.	% on Invest.
1918 ...	$1,411,925	21.7	14	7.4
1917 ...	1,295,315	19.9	14	6.8
1916 ...	1,252,038	19.2	14	6.8
1915 ...	1,220,057	18.7	14	6.4
1914 ...	1,196,116	19.7	14	6.7
1913 ...	1,210,774	20.8	14	7.1
1912 ...	970,544	23.3	14	8.3
1911 ...	815,519	23.0	13½	...
1910 ...	662,301	22.0	12	...
1909 ...	604,123	20.1	12	...
1908 ...	559,577	18.7	12	...
1907 ...	681,709	22.7	12	...
1906 ...	653,516	23.9	11¼	...
1905 ...	478,507	21.6	10	...
1904 ...	401,560	20.1	10	...

VICTORIA LOAN

War-Time Growth of Profits Was Continued

Throughout the unsettled period which has marked the progress of the war the development of the Victoria Loan and Savings Company has continued in the years prior to 1914, and 1918 has been no exception. The profits of $58,774 compared with $54,554 in 1917 and $50,244 in 1916. Dividends took $34,685 and after providing $35,000 for reserve, which increases the total to $250,000 or half the paid-up capital, the balance was carried forward increasing the total from $5,263 to $10,109. Following are comparative figures:

	1918	1917	1916
Earnings	$58,774	$54,554	$50,234
Bal. forward	5,263	4,071	3,837
Prem. on stocks.	15,757	14,242	.....
	$79,794	$72,867	$54,071
Distribution—			
Dividends	$34,685	$32,604	$30,000
Reserve	35,000	35,000	20,000
Balance	10,109	5,263	4,071
	$79,794	$72,867	$54,071

The increase in the company's paid-up capital by over $50,000 during the year somewhat reduced the percentage of earnings, the showing being 11.7 per cent. on capital and 8.8 per cent. on investments. Following are outstanding features of earnings record for the past four years:

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Cap.	Earn. Rate
1918 ..	$500,000	58.774	7½	11.7	8.8
1917 ..	447,475	54.554	7½	12.4	9.4
1916 ..	400,000	50.234	7½	12.5	9.0
1915 ..	400,000	46.700	7½	11.6	8.5

Assets showed an increase from $2,212,952 to $2,508,626 being largely due to the increase of nearly $53,000 in paid-up capital and about $170,000 in deposits and debentures outstanding. Investments in mortgages and bonds increased from $2,042,223 to $2,298,231 and cash from $155,764 to $185,220.

BRITISH MORTGAGE

Substantial Increase in Profits Reported

That the past year has been a profitable one for the British Mortgage Loan Company of Ontario, is indicated by the fact that the profits of $73,823 showed an increase of over $10,000 as compared with 1917 and of nearly $10,000 over the previous high record of 1916. Dividends took $50,000 and after adding $20,000 to reserve, which now amounts to $410,000 as compared with the paid-up capital of $500,000, the balance was carried forward increasing the amount from $3,475 to $7,298. Following are comparative figures of profit and loss

	1918	1917	1916
Net profits	$73,823	$62,984	$63,942
Bal. forward ...	3,475	7,000	3,558
Prem. on stock.	.....	30,000	.....
	$77,298	$99,984	$67,500
Distribution—			
Dividends	$50,000	$46,509	$40,500
Reserve	20,000	*50,000	20,000
Balance	7,298	3,475	7,000
	$77,298	$99,984	$67,500

*Including $30,000 premium on stock.

The profits represented 14.7 per cent. on capital as compared with a 10 per cent. dividend paid and 8.2 per cent on total investments. Following are some comparisons for the past three years:

Year	Paid-up Capital	Profits	Div.	% Prof. Cap.	Earn. Rate
1918 ..	$500,000	$73.823	10	14.7	8.2
1917 ..	500,000	62,984	10	12.5	7.9
1916 ..	450,000	63,942	9	14.2	8.3

A continued tendency to curtail loans on mortgages is indicated by the balance sheet, the total being reduced from $1,796,099 to $1,671,833. Municipal and government bonds are increased $737,268 to $890,783 and cash from $68,639 to $97,475. Total assets stand at $2,680,091 as compared with $2,622,006 a year ago.

A copyright cable to the New York "Sun" quotes the London "Evening News" as saying that the total subscriptions to British war bonds are $8,000,000,000.

PROFITS TORONTO GENERAL TRUSTS SHOW RECOVERY

The Decline Indicated in Last Report Was Regained

MORTGAGES LOWER

Tendency Towards Contraction of Loans on Property Has Continued—General Expansion Satisfactory

A sharp recovery in earnings and continued substantial developments of business are features of the annual report of the Toronto General Trusts Corporation for 1918 which will be presented at the annual meeting on February 5th. As indicating a change in conditions from those which prevailed after the outbreak of the war and up to last year, the report will not only be reassuring to the shareholders of the company but to holders of other securities of this class.

The profits of $321,969 compared with $300,886 in 1917 and were on a par with those of 1916 at $321,382. They were higher than any year of the company up to 1914 but were slightly less than the total of that year and compared with a high record of $345,456 reported for 1915. The earnings on capital were 21.46 per cent. compared with 20 per cent. last year, against which dividends of 10 per cent. and a bonus of 1 per cent were paid. Following are the features of the company's earning record for the past thirteen years together with the high and low stock market quotations during that period:

Year	Net Profits	% on Cap.	Div.	Stocks High	Stocks Low
1918	$321,969	21.16	10+1	204	199¾
1917	300,886	20.00	10	215	200
1916	321,382	21.42	10	212	205½
1915	345,456	23.03	10	204	189
1914	324,381	21.62	10	204	189
1913	299,016	22.16	10	200	183
1912	233,915	21.09	10	203½	178
1911	198,392	19.83	8	180	171
1910	178,974	17.80	8	175	167½
1909	162,353	16.24	8	165	150
1908	131,181	13.12	7½	145	143
1907	125,127	13.58	7½	150	140
1906	150,428	15.04	7½	160	150

The net profits of $321,969 represented an income of $654,130 from commissions and fees, interest, etc., of which $333,161 was required for general expenses. In 1917 the income was $621,447 and the expenses $320,561. Including the balance brought forward of $101,443 there was available for distribution $443,412. Of this amount $165,000 was distributed in dividends; $15,000 for patriotic funds; $4,000 for income tax; $50,000 put to the reserve fund and $30,600 was written off head office building, leaving a balance to be carried forward of $152,812.

The Balance Sheet

It would appear in analyzing the balance sheet that the improvement in the company's earnings is in a measure be due to investments under the head of original assets which includes real estate, mortgages, debentures, stocks and bonds, etc. The inventory value of this item at $53,107,920 compared with $46,457,440 in the previous report. This item comes under the head of estates, trusts and agencies, the total for which increased from $70,721,368 to $78,887,301.

Other changes in assets were not of great relative importance but it is noted that the tendency towards smaller investments in mortgages continued. There is a small reduction in this item in all three departments—capital account, guaranteed account, estates, trusts and agency. Following are comparative figures indicating the development of the company's business since 1910.

Year	Capital Account	Guaranteed Account	Trust Acount
1918	$3,759,444	$8,185,883	$78,887,301
1917	3,625,628	8,939,785	70,721,368
1916	3,523,026	8,965,168	64,692,318
1915	3,413,812	9,715,345	58,740,311
1914	3,251,487	9,539,321	54,630,291
1913	3,093,266	8,785,637	51,176,929
1912	2,480,389	7,278,857	44,093,317
1911	1,804,591	6,163,731	37,118,336
1910	1,705,783	5,634,699	34,260,815

The British Empire Producers' Association, representing over $5,000,000,000 British capital, demands that Germany pay the full war cost.

VICTORY BONDS

We Buy and Sell All Issues of WAR LOAN BONDS

Campbell, Thompson & Co.
Canada Life Building, TORONTO

Cost Accounting

By Major J. Lee Nicholson, C.P.A., and John F. D. Rohrback, C.P.A., member of the firm of J. Lee Nicholson & Company, and Instructor in Cost Accounting, Columbia University. November 15, 1918. Thin paper, limp leather binding, 700 pages. 5¾ x 8¾. Price, $6.00.

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